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UNIVERSITY OF MICHIGAN SERIALS DIVISION

'I must say that this is unacceptable'

Gorbachev Tells Yeltsin to Stop Usurping Power

Compiled by Our Staff From Dispatches

MOSCOW — President Mikhail S. Gorbachev warned Boris N. Yeltsin on Wednesday that the Russian Republic would have to abide by Soviet law and not encroach on the central government's jurisdiction.

On a day when Mr. Yeltsin made new moves to extend his power, Mr. Gorbachev told the Supreme Soviet, or parliament, that a string of decrees issued by the Russian president during the putsch last week on matters generally held to be the Kremlin's responsibility had been appropriate at the time in view of the country's extreme situation.

But now that the coup has been put down, he said, "when documents appear with someone seeking to involve the leadership of Russia, I must say that this is unacceptable for all, including the Supreme Soviet of Russia and the president of Russia."

"Everything must be based on the constitution. And now on cooperation."

Mr. Yeltsin, his authority bolstered by his leading role in resisting the coup, had ordered the extension of Russian control over large areas of Soviet government during the last few days.

He issued decrees taking control of state communications on Russian territory, dismissed officials deemed to have supported the coup and took a prominent role in major appointments, including those in the armed forces.

In his latest actions, made public Wednesday, Mr. Yeltsin declared that all Soviet foreign exchange operations and those involving precious metals and stones were contingent on Russian approval.

But late in the day, the Russian Republic said it had reversed the decision and agreed to let the Soviet Bank for Foreign Economic Affairs have control over operations involving foreign exchange and precious metals.

The bank is responsible for servicing the Soviet Union's foreign debt, which is about $60 billion, and has a reputation as a prompt and reliable payer.

Russia's statement appeared to reflect recognition of the importance of maintaining financial stability. Mr. Yeltsin's instruction, which was dated Aug. 25 but published only Wednesday, quickly sparked worries among foreign bankers about Soviet debt servicing capability.

In the instruction, Mr. Yeltsin also said that control of installations of the Soviet Finance Ministry and the Soviet central bank and foreign trade bank on Russian territory would be taken over by their Russian counterparts by Sept. 15.

In another step likely to make waves, Mr. Yeltsin announced Wednesday that the Ukraine had decided to transfer all of its nuclear weapons to Russian territory.

Asked at a meeting with Russian émigrés what would be done with the nuclear weapons of breakaway Soviet republics like the Ukraine, he replied, "The Ukraine has declared itself a nuclear-free power and agreed to move all its nuclear potential to the Russian Republic."

The Ukraine, the second most populous republic after Russia, declared itself nuclear-free after proclaiming its independence on Saturday.

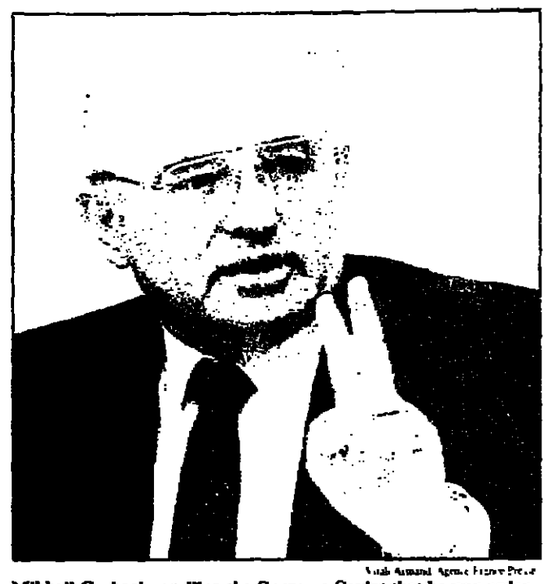
"The whole world is worried about the nuclear situation," Mr. Yeltsin said. "We are forming a security council with all the republics, but not in a Gorbachev style," apparently referring to Mr. Gorbachev's central National Security Council.

"The downfall of the center is not the downfall of the country," Mr. Yeltsin added. "The republics are making decisions, but the union has not ended."

Mr. Yeltsin included the transfer of nuclear weapons from the Ukraine to Russia as one of a series of steps being taken to safeguard and maintain central control over the Soviet nuclear arsenal.

He did not suggest that Russia was assuming control over the country's nuclear weaponry. The Soviet authorities have already moved weapons from separatist and other areas regarded as unsafe.

In a move clearly taken to allay concern about his expanding power, Mr. Yeltsin said in an interview with French radio that Russia would respect the frontiers of republics that decided to sign the union treaty redefining relations among the republics. *(Reuters, AFP)*



Vasili Samsonov Agence France-Presse

Mikhail Gorbachev telling the Supreme Soviet that he was ordering an investigation into the activities of the KGB during the coup.

Who Was Really Behind the Coup?

Suspicions of a Wider Conspiracy Keep Kremlin Corridors Buzzing

By Bill Keller
New York Times Service

MOSCOW — In this city where pirate editions of Agatha Christie sell in the millions and where the official version of anything is automatically assumed to be a lie, a feverish hunt is on for the great secret behind the spectacularly unsuccessful attempt to seize the Soviet government last week.

In the press, the streets and the corridors of parliament, conspiracy buffs belabor gaps in the official accounts of the coup and audition candidates for the role of kingpin, feeding on a glut of leaked memorandums, self-justifying reminiscences, hypotheses and gossip.

The search for an ultimate culprit has ranged across the known list of major and minor collaborators and fanned out to encompass sinister neo-Stalinists, radical democrats, President Boris N. Yeltsin of the Russian republic, and, of course, President Mikhail S. Gorbachev himself.

What the conspiracy theories have in common is a conviction that such a desperate act must have had a strong-willed Svengali behind it, and the sense that even in the Soviet Union, where mismanagement is a culture, the steaming blunders of the conspirators were too egregious to be accidental.

'More to This'

"There is more to all this than meets the eye," said Vladimir I. Shcherbakov, a close confidant of Mr. Gorbachev and of many of the men arrested in the bungled takeover.

Mr. Shcherbakov, who as first deputy prime minister was in contact with several of the accused collaborators during the three-day putsch, said he believed that many of the accused instigators were dupes in a grander plot.

In an 18-page reconstruction of his meetings with senior officials, Mr. Shcherbakov surmised that the Emergency Committee that announced on Aug. 19 that it was running the country was created only after the coup had been carried out by provocateurs as yet unmasked.

Like the other theories sprouting since the coup, Mr. Shcherbakov's account is unproven and perhaps unprovable. It is also self-interested, since it casts the government's leaders, including himself, in the role of unwitting stooges.

The former deputy prime minister has not been accused of supporting the coup, but was forced out when Mr. Gorbachev disbanded his government after the coup's failure.

He was one of the last men with whom Mr. Gorbachev spoke before his telephone was cut off by the conspirators, and apparently the first government official the president called when the coup collapsed and his communications were restored.

The Elusive Mastermind

Mr. Shcherbakov's version of events fails to identify the elusive mastermind, but it raises new questions about the roles of several key participants.

According to his written account, on Monday, Aug. 19, after a cabinet meeting where government ministers discussed the new regime announced that morning, Prime Minister Valentin N. Pavlov took Mr. Shcherbakov to his office for a fuller account of the crisis.

The prime minister said that the previous day a delegation had gone to see Mr. Gorbachev at his vacation home in the Crimea and had found him in bed, sick and incoherent. Upon their return, Mr. Pavlov and other officials were called to a meeting with the KGB chief, Vladimir A. Kryuchkov, and Major General Yuri S. Plekhanov, the head of the KGB security service for high officials.

The two KGB men told the gathering that a group of heavily armed "extremists" had deployed in Moscow and were preparing a coup, including the assassination of top government officials and their families. Based on this evidence, Mr. Pavlov told his deputy, the group agreed to declare a state of emergency and set up a committee to oversee it.

Secret Role?

Among the participants who initialed the state of emergency order, according to this version, were Anatoli I. Lukyanov, the chairman of the parliament, and Alexander A. Bessmertnykh, the foreign minister.

Mr. Pavlov explained that these two men declined to play a public role in the emergency committee, Mr. Lukyanov pleading that it might compromise him with the parliament, and Mr. Bessmertnykh saying it

See COUP, Page 3

The Associated Press

Members of a police squad in Kiev subduing a suspected criminal Wednesday. Authorities in the Ukraine, one of the Soviet republics declaring its independence, have been struggling with a severe crime problem, with about 150 criminal gangs reported to be operating.

13 in Coup Charged With High Treason, KGB Is Shaken Up

Compiled by Our Staff From Dispatches

MOSCOW — President Mikhail S. Gorbachev on Wednesday ordered a shake-up of the KGB and an investigation of its role in the coup against him. Prosecutors charged 13 suspected leaders of the takeover with high treason.

Mr. Gorbachev, who was betrayed by many senior officials during the coup, was putting a premium on loyalty as he assembled a new team. He appointed a new foreign minister, Boris Pankin, the Soviet ambassador to Czechoslovakia, who was one of the few top Soviet envoys who did not follow the orders of the hard-line coup leaders during the takeover.

These were among the other developments on Wednesday, one week after the end of the coup:

- The Soviet legislature, at Mr. Gorbachev's request, passed a motion of no confidence in the country's top administrative body, the Cabinet of Ministers. Many of its members were implicated in the plot against Mr. Gorbachev. Its approximately 70 members are now expected to resign.
- A shake-up in the Soviet press continued. The official nightly news program "Vremya" was canceled, and Mr. Gorbachev appointed his spokesman, Vitali N. Ignatenko, general director of the Tass press agency. Mr. Ignatenko's predecessor was dismissed after the coup.
- Germany recognized the independence of the Baltic republics of Latvia, Lithuania and Estonia, after similar moves by dozens of nations. The 1939 German-Soviet nonagression treaty gave Stalin a free hand to annex the Baltics, which were independent nations between the world wars.
- President George Bush discussed the Baltics and the question of Western aid for the stumbling Soviet economy with Prime Minister John Major of Britain, who arrived Wednesday for a three-day stay at the president's vacation home in Maine. Mr. Major, who is coordinating aid to the Soviet Union from the seven leading industrialized democracies, will visit Moscow and meet with Mr. Gorbachev and the Russian president, Boris N. Yeltsin, on Sunday.

After the three-day coup, Mr. Gorbachev vowed that its leaders would be brought to justice. Those charged with treason on Wednesday included the seven surviving members of the coup committee.

An eighth member, Interior Minister Boris K. Pugo, was found dead after the coup. Authorities have not determined whether he was slain or committed suicide.

Among those charged was Vladimir A. Kryuchkov, former chief of the KGB. Mr. Gorbachev ordered an investigation into the activities of the KGB, and a committee was set up to write a restructuring plan and legislation to regulate its future activities.

Four KGB generals, including General Kryuchkov, have been arrested and charged with treason for their roles in the coup. But KGB troops also played a key role in breaking up the coup when they refused an order to attack pro-democracy demonstrators at the Russian parliament, headquarters for opposition to the coup.

Even longtime Gorbachev associates were being brought to account. The Russian Republic's prosecutor, Valentin Stepankov, told Tass that he would question Anatoli I. Lukyanov, the former speaker of the national legislature, in connection with the coup plot.

Mr. Lukyanov, a law-school classmate of Mr. Gorbachev, resigned on Monday. He went before legislators on Wednesday to proclaim his innocence, saying, "I was not a conspirator."

Mr. Lukyanov said that during the coup he tried in vain to contact Mr. Gorbachev, who was under house arrest at his dacha in the Crimea. He also said he warned the military against using force, told coup leaders their committee was "unconstitutional" and tried to call a special session of the legislature.

At the same session, Mr. Gorbachev assailed the legislators for failing to stand up to coup plotters. He told the Supreme Soviet they should have asked, "Those bas-

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Communism's Collapse

Independence is likely to bring economic hard times. Page 3

U.S.-Soviet military relations could become closer. Page 3

Baltic foreign ministers demand that Soviet troops leave. Page 4

Russia's 'Imperialistic Tendency' Rattles Other Republics

By David Remnick
Washington Post Service

MOSCOW — In the aftermath of the coup, Boris N. Yeltsin and his Russian government won acclaim for their organization and bravery. But with Russia assuming a role at least as powerful as that of President Mikhail S. Gorbachev, political leaders here and in the other republics are concerned about the immensity of its authority and the speed with which it is being used.

"The Russian government is beginning to show an imperialistic tendency," said Yuri N. Afanasyev, a leader of the independent Democratic Russia movement. "This mood has always been there, but now it is growing stronger as the union collapses. Yeltsin has to take a firm stand against it."

"I think this mood will pass," said Oleg Bogomolov, a deputy, as he strolled through the Kremlin grounds with Mr. Afanasyev on Wednesday. "Soon Yeltsin and the other republics will sign a pact, economic or political, that puts everyone on friendly terms."

Mr. Afanasyev stopped: "He cannot show friendship and goodwill to the other republics when he implies that Russia has potential claims to half their territories."

NEWS ANALYSIS

At a meeting of émigrés Wednesday, Mr. Yeltsin proclaimed, "The Kremlin is the property of Russia, not of 'the center.'"

The cathedrals on the Kremlin grounds, he said, should be returned to the Russian Orthodox Church. And then, almost as an afterthought, Mr. Yeltsin said he would consider reviving the czarist-era symbol of the two-headed eagle, though not the crown.

Mr. Yeltsin's government caused an uproar when it raised the possibility of challenging Russia's borders with the Ukraine, Kazakhstan and other republics. The mere mention of the issue caused great anxiety in regions with majority Russian populations like the Crimea, part of the Ukraine and the oil-rich regions of northern Kazakhstan.

Andrei N. Girenko, a member of the Communist Party Central Committee from the Crimea, said that people in his Black Sea region were "deeply concerned." The Kazakh leader, Nursultan A. Nazarbayev, said there could be "interrepublican war" if Russia challenged the present borders.

In an atmosphere charged with the chaotic improvisation on a gigantic scale, Mr. Yeltsin has had to backtrack on the territorial issue. His foreign minister, Andrei N. Kozyrev, called press bureaus from Budapest and admonished them to "make sure the world understands" that Russia will only pursue the territorial issue "peacefully" and on the basis of agreements set by the 35-nation Conference on Security and Cooperation in Europe.

Mr. Nazarbayev was furious when Mr. Yeltsin and Mr. Gorbachev named one Russian after another to lead the new union government. When someone suggested that the two might put forward a non-Russian to be vice-president, Mr. Nazarbayev said sarcastically, "Oh, thanks a lot."

On Wednesday night, even Russian television criticized its patron, Mr. Yeltsin. "Victorious Russia," said a broadcaster, Yuri Rostov, "has reinforced its power to the extent where the republican structures can, in fact, merge with 'the center.' Even those republics that are greatly interested in signing

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Kiosk

Ex-Panama Envoy Pleads Guilty

MIAMI (AP) — A former Panamanian ambassador pleaded guilty Wednesday to a racketeering charge and agreed to testify in the trial of Manuel Antonio Noriega about drug shipments and payoffs to the deposed Panamanian leader.

Ricardo Bilonick, 44, was ambassador at large in Washington under Mr. Noriega's predecessor, General Omar Torrijos Herrera. Myles Malman, an assistant U.S. attorney, said Mr. Bilonick was also the representative in Panama of Colombia's Medellin drug ring.

Prosecutors said Mr. Bilonick passed $10 million in bribes from the Medellin ring to Mr. Noriega in exchange for protecting flights carrying cocaine from 1982 to 1984. Mr. Noriega is scheduled to go on trial Sept. 4.

General News

Yugoslav troops backed by planes and tanks clashed with Croatian forces. Page 2.

Five were killed in a New York City subway crash. Page 2.

French officials prepared General Aoun's exile. Page 2.

Crossword Page 16.

Dow Close
Up
29.07
3,055.23

The Dollar *In New York*

DM	1.7385
Pound	1.6908
Yen	136.55
FF	5.91

AFP

JIMBO SHINES — Jimmy Connors returning a shot to Patrick McEnroe, whom he defeated in five sets in the first round of the U.S. Open. Page 15.

Since Easter, a Lot Has Changed for Ted Kennedy

By E. J. Dionne
Washington Post Service

WASHINGTON — Senator Edward M. Kennedy's staff still churns out work at its usual prodigious pace. On visits home, the Massachusetts Democrat still draws warm crowds that pledge electoral faithfulness.

Mr. Kennedy remains capable of relishing his role as a scrappy liberal's liberal, ever ready to enrage the right in the process of winning rhetorical points and legislative fights.

But friends and associates say a lot has changed for Ted Kennedy since that Easter weekend in Palm Beach that left his nephew, William Kennedy Smith, facing trial on charges of sexual battery, the equivalent of rape in Florida.

A public-opinion poll has shown that for the first time in his 29 years in the Senate, Republicans might have a chance of beating Mr. Kennedy when he comes up for re-election in 1994.

The poll for the Boston Herald and WCVB-TV published earlier this month showed the Republican governor, William Weld, defeating Mr. Kennedy by 59 to 34 percent in a hypothetical contest.

The mere existence of negative polling numbers about a Kennedy is a political revolution in Massachusetts, where Republicans have been gaining ground since Governor Michael S. Dukakis's run for the presidency in 1988 was followed by economic collapse.

If Republicans believe there is "a serious opportunity of knocking Kennedy out," said Alan Safran, spokesman for the Massachusetts Republican Party, "the perception of vulnerability could become the reality of vulnerability."

Although Republicans have run serious races against Mr. Kennedy before, Mr. Safran said this was the first time the party sensed a strong opportunity to win.

Beyond the polling numbers, there has been the public pressure: constant questions about why a man who has taken pride in his role as a father and surrogate father for a vast clan would invite younger Kennedys out for a midnight prowl; small incidents given larger meaning, such as Mr. Kennedy's missing a Judiciary Committee hearing on a Democratic bill aimed at curbing sexual violence (Mr. Kennedy's aides pointed out that he had a conflicting hearing); public statements by his friends that he needs to curb his drinking, and talk that he has been laying back on civil-rights issues and Judge Clarence Thomas's nomination to the Supreme Court.

All this, say friends and acquaintances, has taken a toll on a man who once proclaimed his comfort in sailing against the wind.

"Ted's reassessing a lot of things in his life," said a senator who is close to Mr. Kennedy. "He hasn't been the whirling dervish he's been in the past."

Asked whether he should change his approach to his off-hours, Mr. Kennedy's response was almost coy.

"One's always attempting to improve oneself," said Mr. Kennedy, who will be 60 in February, speaking in a recent interview. "I mean, I always want to be a better senator. I want to be a better father."

"It's frustrating," Mr. Kennedy said. "Most of the political challenges of your life, you have some degree of ability — some ability to influence or control. This particular incident is sort of outside your ability to try and come to grips with."

Are Freshmen Adults? Some Say Yes, as a Matter of Course

By Anthony DePalma
New York Times Service

NEW YORK — A university education once began with a quick and casual orientation for the first-year students, the freshmen: a barbecue, followed by a big dance and finally a rambling campus tour led by a bored sophomore.

Now, orientation on American campuses has evolved into an intense social and intellectual initiation that combines aspects of academic boot camp and cultural finishing school.

These programs, which are being instituted at hundreds of colleges and universities for the first time this year, are comprehensive, well-structured courses that can last up to a year, not the small-scale experiments like AIDS seminars or study-skills classes that many institutions have been trying.

They mark the growing realization among administrators that real-world problems, like race relations, are intruding on campus life more and more. They also realize that the entire freshman-year experience is crucial to a student's chances for success and a college's ability to sustain enrollment, particularly at a time when one of three freshmen does not return to the same school for sophomore year.

While still including such basics as class registration and a library run-through, freshmen orientation on many campuses now confronts new students — some from small towns and tiny high schools — with delicate subjects like date rape, drug abuse and race relations.

"It has been a surprise," one freshman, J. Dale Cannedy from Midland, Texas, said of his first few days at Bard College in Annandale-on-Hudson, New York, where orientation lasts three weeks. "They treat you much more like an adult. They're not afraid to broach the subjects of sexuality, substance abuse and harassment."

While colleges and universities are concerned with preparing first-year students for campus life, they have another motive for paying special attention to freshmen.

Colleges, now scrambling to fill their classes, hate to lose students they might have retained.

"The economics of higher education helped produce this, and anyone who doesn't admit it is not telling the truth," said Richard K. Matthews, a professor of government at Lehigh University in Bethlehem, Pennsylvania, who directs the study program for first-year students. "This is a much more competitive market."

Lehigh pampers freshmen throughout the year by overturning some fairly common traditions. While freshman survey classes at Lehigh were once taught in large lecture halls by junior faculty, the college of arts and sciences this year has set aside 34 seminars in which enrollment is limited to 16 freshmen, and only full-time faculty will be allowed to teach.

"We want them to have our best," Mr. Matthews said.

Freshmen have not always been treated with such care. John N. Gardner, vice chancellor of the University of South Carolina, has studied the freshman-year experience at U.S. colleges for more than 15 years.

In previous generations, he said, first-year students, feeling lost and overwhelmed, lived in the oldest dorms, ate the worst food, sat in the largest lecture halls and generally were left to sink or swim.

Mr. Gardner said such a policy might have worked when most freshmen were more or less alike: privileged white men whose parents were college-educated. But that changed as colleges admitted more and more women, and again when minority students and those from lower-income families, with varying degrees of academic preparedness, arrived on campus.

Suddenly, orientation had to be taken seriously as a kind of basic training for students. The strategy appears to have been successful. Mr. Gardner said studies by many institutions, including South Carolina, had shown that students who participate in orientation have a significantly higher survival rate and are more likely to graduate than those who flounder through the first critical weeks on campus alone.

At the University of South Carolina, freshmen receive one of the most thorough orientations, a semester-long course called University 101, which has become a model for many other institutions.

It is a three-credit elective, graded on a pass-fail basis, in which students are taught scholastic basics like how to use the library, and modern college survival skills like dealing with acquaintance rape. Students are graded on the papers they write and exams they take.

If University 101 represents the hard-line approach to orientation, the University of Pennsylvania's Bacchae project is the soft sell, focusing on academic preparation but also subtly counseling students on modern moral issues.

The principle underlying the project is the need to introduce students to an intellectual life in which ideas are lived, not just learned. Penn freshmen read the classic Greek drama "The Bacchae" about the ancient cult of Dionysus and discuss it in their dorms and in seminar groups. Some elective courses will cover the play, which will be performed next spring.

"Many of these students may never have sat around a table and talked about a book," said Norman T. Adler, associate dean for the School of Arts and Sciences. "My job is to show these kids the passion of the mind."

At some rural colleges, where there are few minority students and acquaintance rape is not a major problem, orientation still resembles its old form. Chadron State College in Chadron, Nebraska, has a minority student population of less than 3 percent and so spends little of its two-day orientation preparing 300 freshmen to deal with different cultures.

But Robert E. Reynolds, director of career development who organizes orientation, said the college does try to accommodate new students, many of whom come from tiny rural villages or isolated farms. Chadron does this in part by allowing students to bring their horses with them and keep them in stables not far from the dorms. Many students go on to join Chadron's rodeo team.

"I've never had a horse, but some of these people get very attached to their animals," Mr. Reynolds said.

The benefits of the new orientation programs may not be immediately evident to the freshmen themselves. Margaret G. O'Connell, a sophomore from Wilmington, Vermont, said she felt she had not gained much from her three-week intellectual summer camp during her tumultuous first year at Bard.

But returning this summer to tutor new students in the program made her think otherwise. It was much easier for her to organize her thoughts, form opinions and deal with new people than it was for this year's freshmen, she said.

"In retrospect," Miss O'Connell said, "I see how much all that helped. At the time I just didn't want to do it."

New Clashes Erupt Between Croatians And Federal Army

Compiled by Our Staff From Dispatches

BELGRADE — Yugoslav Army troops backed by planes, tanks and heavy artillery clashed with Croatian forces near the town of Vukovar on Wednesday, Croatian authorities and Belgrade radio said.

The renewed fighting in the Slavonia region of Croatia erupted after a brief lull following talks Tuesday between Croatian leaders and federal military chiefs on the island of Brioni, during which the two sides agreed on the need for a cease-fire.

In Paris on Wednesday, the Croatian president, Franjo Tudjman, said he supported a plan by France and Germany that calls for a cease-fire between Yugoslavia's warring republics while five European Community judges hear their grievances and seek a settlement.

The proposal was approved by the EC on Tuesday.

Mr. Tudjman, after meeting with President François Mitterrand, said that the escalating violence posed "a danger for all of Europe."

"We must prevent this war, which at this point is a limited war, from becoming larger," he said.

In Bonn, the Serbian foreign minister, Vladimir Yovanovic, blamed Croatia for the continued conflict, saying that Serbia was not involved in the war and had no territorial claims.

And Italian authorities in the Adriatic port of Pescara, fearing a new refugee crisis, held more than 400 arriving Yugoslavs aboard a ferry while documents were checked.

By evening, officials had allowed all but 47 to enter Italy. Those still on board — 44 adults and three children — were being returned to Yugoslavia on the same vessel later in the evening, the police said.

More than 300 people have been killed in fighting between Serbs and Croats, Yugoslavia's biggest ethnic groups, since Croatia and Slovenia declared independence on June 25.

In the fighting Wednesday, a Croatian television cameraman was killed and a soundman wounded in a suburb of the Croatian stronghold of Osijek in Slavonia, the Croatian Defense Ministry said.

The Croatian news agency Hina said nine armored vehicles belonging to the Yugoslav Army were hit in the fighting in Vukovar. It said army tanks had attacked the town with Serbian guerrillas firing from behind them.

There were conflicting accounts of how the fighting in Vukovar began.

Belgrade radio said it started when Croatian National Guard units fired on federal troops guarding a road near the town and attacked the local army barracks.

The report said that "strong army forces" backed by armored units and planes returned the fire and were advancing in an apparent effort to reach the barracks, which have been blockaded by Croatian troops for the past week.

But a Croatian Defense Ministry spokesman said the army had started the fighting.

"This is their dirty game after the cease-fire yesterday in Brioni; they started the fight," the spokesman said, speaking on condition of anonymity.

Belgrade radio also reported artillery duels between Serbs in Borovo Selo and Croats in Borovo Naselje, two villages just north of Vukovar.

The radio said that Serbian guerrillas had joined in the assault on Vukovar. Other reports said the town was almost completely surrounded by Serbs.

Mr. Yovanovic, the Serbian foreign minister, who was in Bonn to meet with Foreign Minister Hans-Dietrich Genscher, said that Croatia did not have the right to secede unilaterally from Yugoslavia.

"Serbia is presented as a troublemaker in the world," Mr. Yovanovic said. "That is totally wrong. Serbia is doing no harm to Yugoslav interests and Yugoslavia's integrity."

(AP, UPI, Reuters, AFP)

John David Fay, Ex-OECD Aide, Is Dead at 72

International Herald Tribune

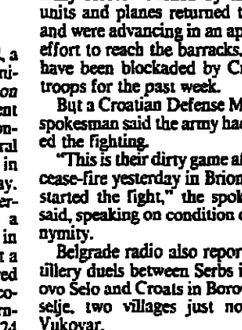
PARIS — John David Fay, 72, a retired senior official of the Organization for Economic Cooperation and Development and a frequent editorial writer for the International Herald Tribune, died of natural causes Tuesday at his home in France, his family said Wednesday.

A scholar at Cambridge University, where he graduated with a double first class honors degree in history in 1941, Mr. Fay was not a specialized economist but played an important role in getting economic views across to the governments and the public in the 24 OECD nations, which include the major industrialized powers.

He listed his recreation in Who's Who as gardening, gastronomy and "helping economists to write English." He headed the Economics and Statistics Department of the OECD 1975 to 1980. He was appointed director for Publications Policy in 1980 until his retirement in 1984.

Mr. Fay had been with the International Secretariat of the organization since it was founded in Paris as the European Economic Cooperation Organization in 1949 to coordinate the process of postwar economic reconstruction.

"MIDNIGHT BLUE REFLECTED IN A LIMPID SCULPTURE SIGNED BACCARAT"



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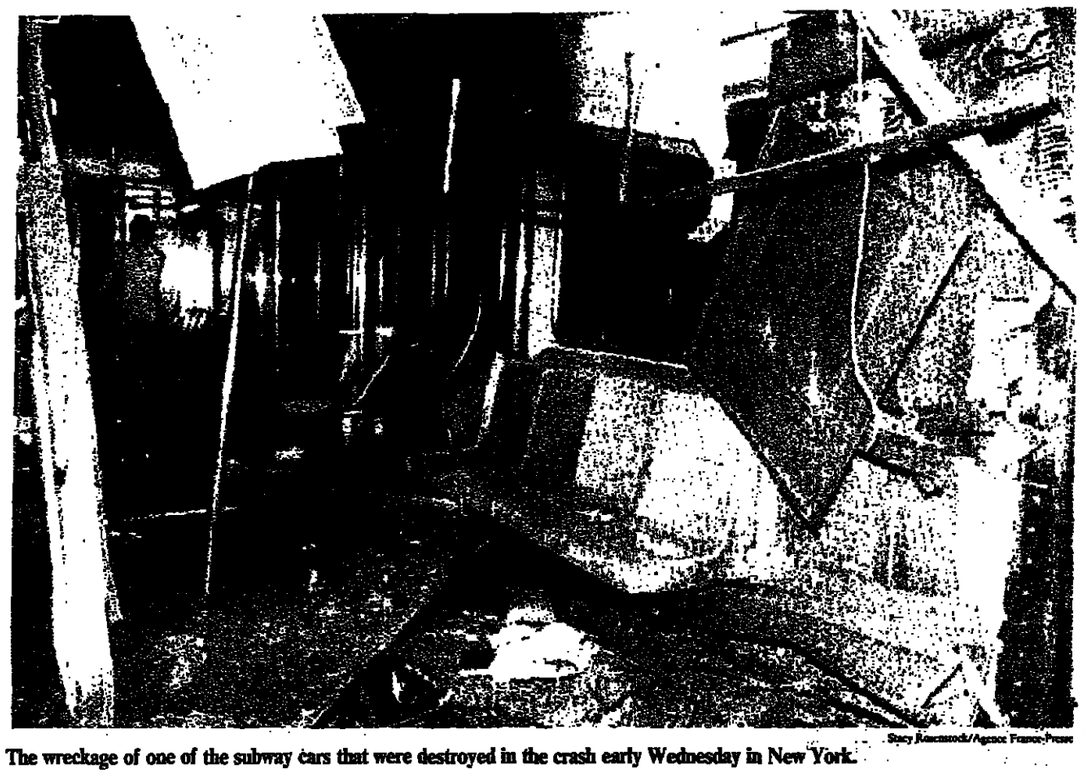

Stacy Rosenstock/Agence France-Presse

The wreckage of one of the subway cars that were destroyed in the crash early Wednesday in New York.

5 Are Killed in New York Subway Crash

Compiled by Our Staff From Dispatches

NEW YORK — A New York City subway train jumped the tracks and slammed into a pillar as it pulled into a busy station on Wednesday, killing five persons and injuring more than 170.

The police said a vial that had contained crack cocaine was found in the train driver's compartment.

The accident occurred at 12:15 A.M. as the 10-car train was approaching the 14th Street-Union Square station on the IRT Lexington Avenue line. The crash sheared the lead car in half, leaving pieces on either side of the track. Several other cars were buckled. Some passengers were trapped in the wreckage for five hours.

The train "was going so fast, the next thing you know it was 'boom,'" said a passenger Albert Webb, 30.

"It was like an explosion," said Joseth Ricketts, a passenger. "Some people from another car got thrown into our car. There was a lot of smoke. The car was just shredded."

The line, which connects upper Manhattan and Grand Central Terminal with Wall Street and Brooklyn, remained closed Wednesday, directly affecting 425,000 commuters and disrupting travel for millions of others. Service was expected to be out for at least 24 hours on parts of the line in Manhattan.

The train operator, or motorman, was reported missing for several hours until he was found returning to his home in the Bronx at about 6:30 A.M., the police said.

The police were questioning the operator, Robert Ray, 38, an employee of the Transit Authority for 10 years who has been a motorman since 1988. He also took a drug test, which is routine in transit accidents in New York City.

"There was a crack vial found in the motorman's cab," a police spokesman said. "We don't know what relation it has to this accident."

A source said investigators also were looking into reports from passengers that the motorman skipped a couple of stops early in the route and was traveling too fast.

The deputy fire commissioner, Tom Kelly, said the train looked like "a collapsed telescope." The first car of the train was slit in half and the back was shredded. The police said they believed the last of the victims was removed from the hot, stuffy tunnel at about 5 A.M.

The Emergency Medical Service reported that 12 of the victims were critically injured. A total of 34 police officers were treated at the scene for heat and smoke injuries.

The cause of the derailment was not immediately known, a Transit Authority spokesman said.

A team from the National Transportation Safety Board was sent to investigate.

The accident occurred about 200 feet (about 60 meters) north of the station as the train was crossing from express to local tracks, the Transit Authority said. The first five cars derailed, and the lead car slammed into a pillar. Four of the five cars were mangled. The speed of the train was not known.

Kimberly White, a passenger, said that just before the accident, the train had overshot one station, leaving just three cars open to pick up passengers.

Another passenger described the derailment: "The train just rose off the track, into the wall. The front of the train twisted up into the ceiling."

The accident occurred at one of the busiest stations on one of the busiest lines of the subway system.

New York's worst subway accident occurred in 1918 when a train derailed in Brooklyn, killing 92 people. Two persons were killed and about 150 injured in December in a fire in a subway tunnel between Manhattan and Brooklyn.

(AP, UPI)

Troop Issue Stalls Cambodia Talks

Compiled by Our Staff From Dispatches

PATTAYA, Thailand — Talks to end the war in Cambodia broke down Wednesday after earlier optimism when the four factions failed to compromise on military demobilization, elections and human rights, Prince Norodom Sihanouk said.

Prince Sihanouk, a resistance leader who has been acting as mediator in the talks, which end Thursday, said that the parties would leave the negotiations without having fashioned a comprehensive peace package.

"I see now I was wrong to be so optimistic," Prince Sihanouk said, adding that additional negotiations would be needed. He said a day earlier that "the war is over."

An international conference to sign the agreement must be postponed, perhaps to November or December, he said. He said talks would be held in New York in September to resolve the disputes.

The conflicting sides are the Vietnamese-installed government in Phnom Penh and three allied guerrilla groups: the Khmer Rouge, followers of Prince Sihanouk and the Khmer People's National Liberation Front.

The factions agreed Tuesday to disarm or demobilize their forces under UN supervision.

The prince said Wednesday that the Khmer Rouge objected to excluding Phnom Penh's special police force from the formula for disarmament.

There are additional differences over the size of the UN force to supervise a peace settlement, the powers of the UN, the status of the existing administration and the wording of a clause on human rights, diplomats said.

Prince Sihanouk said a partial list of agreements would be presented to the representatives of the five permanent members of the UN Security Council — the United States, the Soviet Union, France, Britain and China — who join the talks Thursday.

Prince Sihanouk said he was worried that the United States and Britain might reject even the agreements already reached because they deviate from the UN draft peace plan.

The U.S. representative, Richard H. Solomon, said the agreements reached so far indicated positive movement. Main U.S. concerns, he said, include a strong UN role in a settlement and creation of conditions for free and fair elections.

But a Western diplomat observing the talks said many of the changes made or proposed to the plan would be unacceptable to Washington and London.

The United States and Britain have stressed that the Cambodian parties must accept the UN plan in full. The two countries fear that otherwise, the settlement will be too fragile or too fragmentary and the conflict will drag on.

(AP, UPI)

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Paris Aides Preparing Aoun's Exit

Compiled by Our Staff From Dispatches

BEIRUT — French officials arrived in Beirut on Wednesday to ease the departure into exile of Major General Michel Aoun, who has sought refuge in the French Embassy since October.

The delegation arrived after the Lebanese cabinet issued a decree granting General Aoun, 55, the Christian Maronite militia leader, and two of his aides a pardon on the condition they spend five years in exile in France and refrain from any political activity. Lebanese officials said.

A spokesman for President Elias Hrawi said Mr. Hrawi would sign the special amnesty decree when the French delegation completed arrangements to evacuate the general.

The delegation arrived in Beirut in a military plane and discussed General Aoun's asylum with Foreign Minister Faris Bouez and Prime Minister Omar Karami, officials said.

The French officials include Patrick Leclerc, director of the Middle East section of the Foreign Ministry, and Bernard Kessegian, director of the office of the foreign minister.

(Reuters, UPI)

WORLD BRIEFS

Honecker's Extradition Demanded

BONN (AFP) — The German government on Wednesday demanded the immediate extradition of Erich Honecker, the 79-year-old former leader of East Germany who was secretly flown to Moscow in March, a government spokesman said.

An extradition request would be filed shortly, the spokesman said. He described Mr. Honecker's flight to Moscow — thus escaping charges that he issued shoot-to-kill orders to East German border guards — as a violation of international law.

The spokesman said, however, that Germany could not file for the extradition of Markus Wolf, 67, East Germany's foreign espionage chief, who is accused of espionage and treason. He fled to Moscow in September shortly before West German law extended to the territory of East Germany under the Oct. 3 unification.

U.S. to Keep Some Pretoria Sanctions

JOHANNESBURG (AP) — Two U.S. senators said Wednesday that they expected remaining American sanctions to stay in place until it was clear they no longer served any purpose.

Senators Paul Simon of Illinois and Charles Robb of Virginia, both Democrats, said they thought economic pressure on the Pretoria government would help bring about additional political reform.

"The sanctions that are in place right now will remain in place until we receive a signal from black and white leaders," Mr. Simon said.

Last month, President George Bush lifted most economic sanctions that were imposed five years earlier by Congress. He was responding to the repeal of major apartheid laws in June by President Frederik W. de Klerk's government. But some sanctions remain, including a law requiring the United States to vote against International Monetary Fund loans to South Africa.

Sharon Details His Settlement Plans

JERUSALEM (Reuters) — Housing Minister Ariel Sharon, in a speech to the Israeli parliament, has disclosed his most detailed plans to date for expanding Jewish settlement of the occupied West Bank by tens of thousands.

Mr. Sharon said the expansion of Jerusalem to include more of Israel and the West Bank was crucial to future housing plans. Mr. Sharon made the remarks Monday; a transcript was obtained Wednesday.

"We have set for ourselves a goal of guaranteeing that in Jerusalem, the capital of the Jews and the eternal capital of Israel, there will be a Jewish majority," Mr. Sharon said. "We are proceeding today with a far-reaching vision that in the Greater Jerusalem area there will be a million Jews."

53 Killed in Bus Crash in Turkey

ANKARA (Reuters) — A Lebanese tourist bus plunged into a ravine in eastern Turkey on Wednesday, and the police said 53 people were killed. Most were Shiite Muslims on their way to shrines in Iran.

The bus, carrying 54 passengers, plunged off a bend near the village of Sonkaya, 18 kilometers (11 miles) from the Iranian border. A Lebanese diplomat said the bus belonged to a Beirut travel agency.

A police officer in Dogubeyazi said 49 Lebanese, including 14 women and a child, died in the crash. Three Iranians, one of them a woman, were killed. Another woman of unknown nationality also died, and a badly injured Lebanese man was taken to a hospital in Agri.

UN Warns on Africa Finance Crisis

UNITED NATIONS, New York (Reuters) — Africa faces a crisis of "tragic proportions," and wealthy nations should cancel the continent's rising debts and increase their aid, UN Secretary-General Javier Pérez de Cuéllar said Wednesday.

Five years after UN members promised to revive Africa's devastated economies, he said the continent could never develop under a debt burden of $270 billion and cited a shortage of international aid and a fall in commodities prices.

In a major report on the UN Africa recovery program, he proposed that rich nations cancel official debt, as was done for Egypt and Poland, and increase their assistance. The report said that resources fell far short of what was needed and that many government restructuring programs were half-hearted and short-sighted.

Correction

An article on the economies of Soviet republics in the Wednesday editions misstated the proportion of the Russian population of Estonia. It is nearly one-third.

TRAVEL UPDATE

Americans Warned on Yugoslavia

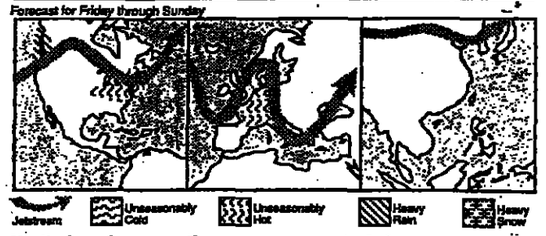
WASHINGTON (AFP) — The State Department has recommended that American citizens immediately leave the Yugoslav republics of Croatia, Bosnia-Herzegovina and Kosovo.

The State Department travel advisory also advised Americans elsewhere in Yugoslavia to consider leaving and warned other Americans not to travel to Yugoslavia at this time.

Changi International Airport in Singapore has been voted the world's best for the fourth successive year by readers of the British magazine Business Traveller, the Civil Aviation Authority of Singapore has said. Changi won 49 percent of the votes for best airport, followed by Amsterdam's Schipol with 14 percent and Zurich-Kloten with 6 percent, the Singaporean agency quoted the magazine as saying. *(Reuters)*

The Weather

Forecast for Friday through Sunday



North America
Abnormal heat will hold through Saturday from Washington, D.C., to Boston, but the weekend will be cooler from Chicago to Toronto. California will remain dry as rainy weather lingers along the Pacific from near Seattle northward.

Europe
The heat wave across most of Europe will continue Friday and over the weekend. London will be mild, with clouds mixing with sunshine. Paris will be warm with plenty of sunshine. Copenhagen and Amsterdam will be warm with sunshine.

Asia
The remnants of a tropical storm will trigger showers in Japan, mostly north and west of Tokyo, Friday into the weekend. Much of the Far East, including Hong Kong, Beijing and Seoul, will remain warm with scattered showers. Manila will be showery.

Europe

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
Algarve	31/88	21/70	pc	31/88	19/66	pc
Amsterdam	31/88	13/55	s	26/79	15/61	s
Athens	32/89	21/70	s	31/88	22/71	s
Barcelona	31/88	20/68	pc	32/89	22/71	s
Belgrade	29/84	17/62	pc	27/80	14/57	s
Berlin	24/75	12/53	pc	24/75	13/55	s
Brussels	28/84	14/57	s	26/79	16/61	s
Budapest	26/79	13/55	pc	27/80	16/61	s
Copenhagen	22/71	11/52	pc	18/64	11/52	pc
Costa Del Sol	33/91	22/71	s	33/91	23/73	s
Dublin	21/70	12/53	pc	21/70	13/55	pc
Edinburgh	23/73	13/55	s	21/70	11/52	pc
Florence	30/86	16/61	pc	30/86	17/62	pc
Frankfurt	26/79	13/55	s	27/80	14/57	s
Geneva	28/82	16/61	pc	29/84	15/59	s
Helsinki	17/62	9/48	pc	18/64	6/43	c
Las Palmas	31/88	24/75	pc	31/88	23/73	s
Leningrad	18/64	11/52	pc	19/66	11/52	pc
Lisbon	25/77	17/62	pc	26/79	16/61	pc
London	24/75	14/57	s	22/71	13/55	pc
Madrid	32/89	17/62	pc	31/88	18/64	pc
Milan	28/82	15/59	pc	29/84	17/62	s
Moscow	20/68	9/48	sh	17/62	7/44	pc
Munich	22/71	12/53	s	26/79	14/57	pc
Nice	29/84	18/64	pc	31/88	19/66	pc
Oslo	22/71	12/53	pc	20/68	13/55	pc
Paris	28/82	16/61	s	27/80	19/66	s
Prague	24/75	13/55	pc	24/75	13/55	pc
Reykjavik	14/57	6/43	pc	14/57	6/43	pc
Rome	32/89	19/66	s	31/88	18/64	pc
Stockholm	22/71	12/53	pc	19/66	13/55	pc
Strasbourg	28/82	14/57	s	25/77	13/55	s
Venice	28/82	18/61	pc	29/84	17/62	pc
Vienna	24/75	12/53	pc	27/80	13/55	s
Warsaw	23/73	13/55	pc	26/79	13/55	pc
Zurich	27/80	13/55	pc	28/82	14/57	s

Middle East

Ankara	27/80	13/55	pc	24/75	12/53	pc
Beirut	33/91	22/71	s	33/91	22/71	s
Cairo	31/88	19/66	s	32/89	23/73	s
Damascus	35/95	19/66	s	35/95	19/66	s
Istanbul	24/75	14/57	pc	26/79	14/57	pc
Jerusalem	29/84	18/61	s	29/84	18/64	s
Riyadh	43/109	28/82	s	43/109	28/82	s

Asia

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
Bangkok	32/89	25/77	pc	32/89	25/77	pc
Beijing	28/82	20/68	t	28/82	20/68	pc
Hong Kong	31/88	24/75	pc	31/88	24/75	pc
Manila	32/89	24/75	t	32/89	24/75	pc
New Delhi	32/89	26/79	sh	33/91	26/79	pc
Seoul	31/88	24/75	pc	31/88	19/66	pc
Shanghai	29/84	26/79	sh	30/86	26/79	pc
Singapore	30/86	26/79	sh	31/88	26/79	t
Taipei	32/89	24/75	t	32/89	24/75	pc
Tokyo	31/88	25/77	pc	31/88	25/77	pc

Africa

Algiers	37/98	21/70	pc	39/102	22/71	s
Cape Town	17/62	6/43	pc	17/62	6/43	pc
Casablanca	32/89	19/66	s	32/89	21/70	s
Harare	28/82	14/57	pc	28/82	14/57	pc
Lagos	29/84	26/79	pc	29/84	25/79	pc
Nairobi	23/73	14/57	pc	23/73	14/57	pc
Tunis	32/89	21/70	s	32/89	21/70	s

Latin America

Buenos Aires	17/62	8/46	pc	16/61	8/46	t
Caracas	31/88	25/77	pc	32/89	25/77	pc
Lima	18/64	13/55	pc	18/64	13/55	pc
Mexico City	25/77	14/57	pc	25/77	14/57	pc
Rio de Janeiro	24/75	19/66	pc	24/75	19/66	pc

North America

Anchorage	17/62	8/46	s	18/64	8/46	pc
Atlanta	33/91	22/71	t	33/91	21/70	pc
Boston	33/91	21/70	pc	32/89	21/70	pc
Chicago	33/91	22/71	t	31/88	19/66	pc
Denver	30/86	16/50	pc	31/88	15/59	pc
Detroit	32/89	20/68	pc	32/89	19/66	pc
Honolulu	31/88	23/73	pc	31/88	23/73	pc
Houston	34/93	23/73	pc	33/91	22/71	pc
Los Angeles	27/80	18/64	pc	29/84	18/64	pc
Miami	32/89	24/75	t	33/91	26/79	t
Minneapolis	31/88	21/70	pc	32/89	18/64	pc
Montreal	28/82	18/64	pc	28/82	16/61	pc
Nassau	32/89	25/77	pc	32/89	25/77	pc
New York	34/93	24/75	pc	33/91	22/71	pc
Phoenix	41/106	28/82	pc	39/102	27/80	s
San Fran.	23/73	14/57	pc	22/71	14/57	pc
Seattle	22/71	14/57	sh	22/71	13/55	pc
Toronto	28/84	18/64	pc	28/84	17/62	t
Washington	34/93	24/75	pc	32/89	22/71	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice.
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هكذا من الأصل

COMMUNISM'S COLLAPSE: The Baltics are bumping head-on with the harsh realities of capitalism

One Cost of Independence: Economic Hard Times Ahead

Politics Is One Thing, Free-Market Reality Another

By Stuart Auerbach
Washington Post Service

LONDON — With their most fervent nationalistic hopes realized, the newly independent Baltic republics of Estonia, Latvia and Lithuania are bumping head-on with the harsh realities of capitalism, competing against more-advanced nations for money and markets.

"At the moment they are thinking primarily in political terms, but economic realities can be hard and they have severe problems ahead," said John Barber, a Soviet specialist at Cambridge University. "They've got all this obsolete industry and agricultural products that don't come up to Western standards."

George Miller, director of the Russian Research Foundation here, added, "The problems are going to be quite enormous."

The crumbling of the Soviet empire, vividly illustrated by the headlong rush to independence of the Baltic republics, vastly complicates Moscow's attempts to reform a moribund economy and Western efforts to help. So far, 7 of the 15 Soviet republics have opted to go it alone, prompting Mihkail S. Gorbachev to threaten to resign if the union disintegrates.

Furthermore, the loss of central control is making it more difficult to lure foreign investment as Western companies are unsure exactly who is in charge, analysts here said. And it raises questions of whether aid should go to Mr. Gorbachev's shrinking central government, or to the republics, or whether it should be divided among them.

Officials for the seven richest industrialized democracies are due to meet in London on Thursday to sort out the cataclismic changes that have wracked the Soviet Union in the last 10 days, with Germany, France and Italy expected to reiterate their plea for greater aid.

The United States and Japan, maintaining their positions from the July economic summit meeting, are expected to weigh in against a major aid package.

Their decisions will not be taken in abstract, with eight Soviet republics moving to separate themselves from Moscow's rules and Estonia, Latvia and Lithuania winning diplomatic recognition from the west.

Although the three republics are bundled together, they have moved at different speeds toward preparing themselves to manage a free economy.

Lithuania, for instance, is "at ground zero," said Toivo Miljan, a member of the international economic advisory board to the Estonian government and a professor at Wilfrid Laurer University in Waterloo, Canada.

"They just have been talking politics and have done nothing to establish a legal or banking infrastructure," he said.

Latvia has a thriving industry manufacturing television sets and other electronic products for the Soviet market, but its factories are antiquated and the products are not good enough for sale in the West or even Eastern Europe.

And as an independent nation, Latvia will lose the advantages of bartering with fellow republics for energy and other raw materials needed for its factories.

The one exception to the bleak economic future for the Baltic republics may be Estonia, which has developed strong ties across the narrow Baltic Sea with Finland and, to a lesser extent, Sweden.

These Scandinavian nations have set up joint ventures in Estonia and are talking about taking advantage of low wages by moving labor-intensive production facilities there.

Thanks to that Western influence, Estonia, with 1.6 million people, fewer than either Latvia at 2.7 million or Lithuania at 3.7 million, has twice as many private farmers as its Baltic neighbors.

Foreign investment totals 3 percent of its total economy — tiny but still twice as much as in Latvia and 16 times greater than in Lithuania. Even before independence, Estonia handled its own foreign exchange payments.

"The Estonians are the best-placed," Mr. Miljan said. "They have a better understanding of what the word 'market' means."

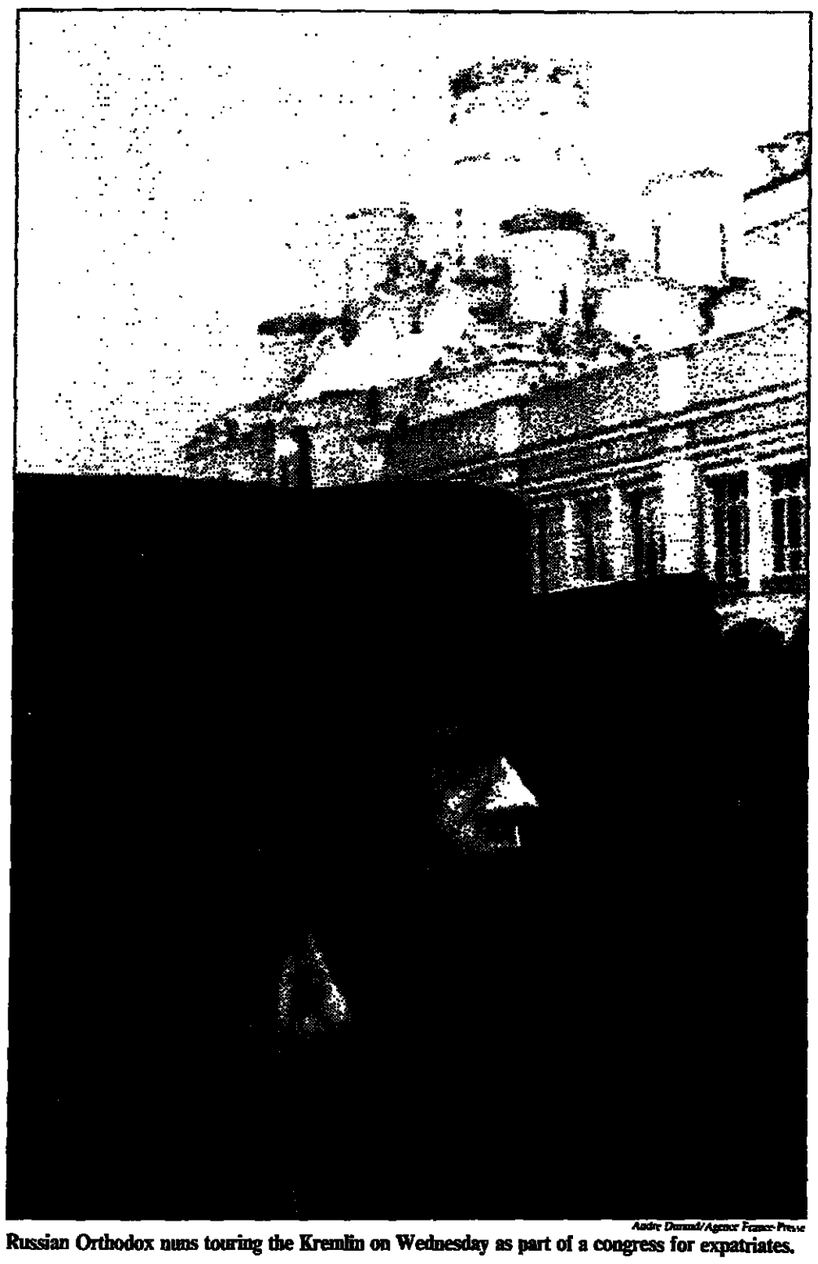
Nonetheless, studies by the Swedish government and the European Community project hard times for the three Baltic republics, which have no natural resources and are almost totally dependent on trade with the Soviet Union for markets, energy and raw materials.

The EC estimates that Estonia, Latvia and Lithuania will need as much as $2 billion to $3 billion a year in Western aid to allow them to transfer their economies from communism to ones run by free market forces.

Although products made in the Baltic republics sell well in the goods-starved Soviet Union, they will suffer in two ways by the disintegration of the Soviet Union.

First, they will be forced to pay hard currency — dollars or other readily convertible currency — for the oil and other raw materials they get from other sectors of the vast Soviet empire. Up until now, they paid in rubles or through informal barter arrangements, trading food for oil, for instance.

Further, Mr. Barber questioned whether the republic's present Soviet customers will pay hard currency for the ill-made Baltic products if they can get more advanced Japanese, Western European or South Korean goods at the same price.



André Durand/Agence France-Presse
Russian Orthodox nuns touring the Kremlin on Wednesday as part of a congress for expatriates.

New Easing Hinted In Soviet Military

Commanders' Actions During Coup Are Encouraging to Western Aides

By Joseph Fitchett
International Herald Tribune

PARIS — Tantalizing signs are emerging that U.S.-Soviet military relations could become significantly closer, surpassing the first steps toward mutual confidence that were taken under President Mikhail S. Gorbachev and that the failed coup was aimed at halting, U.S. and European officials said Wednesday.

The officials confirmed that Soviet commanders — apparently against orders — deactivated the country's most effective nuclear missiles at the peak of uncertainty last week during the Moscow power struggle, apparently in an effort to reassure U.S. strategic-warning services.

If these tendencies toward reassurance prevail in the postcoup Soviet military, the United States and its allies in the North Atlantic Treaty Organization may be able to deepen their current contacts with the Soviet military to the point of cooperating to devise stronger security arrangements.

Looking ahead, U.S. officials in Europe said, NATO seems likely to gain more time to undertake a fundamental, post-Cold War reorganization of its military posture, especially if the Soviet officer corps is deeply purged, as has been announced in Moscow.

The new military leadership in Moscow has also announced that the remaining 300,000 Soviet troops and perhaps an equal number of dependents and civilians will be repatriated from former East Germany faster than is called for in the original timetable, which would have seen the last forces out by 1994.

All these gestures of reassurance to the West, the officials said, may be primarily tactical moves designed to help the Soviet military survive the failure of the hard-line coup.

NEWS ANALYSIS

As far as the West is concerned, officials said Wednesday, the main Soviet military strength, including nuclear weapons, is likely to be reconstituted inside the Russian Republic, either as an all-union army or perhaps simply as a Russian force.

"In any case, it seems less and less likely that this accumulation of military power is going to disappear," an analyst said.

Boris N. Yeltsin, the Russian president, said Wednesday that the Ukraine had decided to transfer its nuclear arms to Russia. The Ukraine, Kazakhstan and Byelorussia have been the only non-Russian territories where strategic nuclear weapons are based. Tactical nuclear arms, in contrast, equip Soviet units in all the republics.

The new step will raise hopes in the Soviet military establishment, which has a dominant Russian majority of senior officers, of preserving some of the global dimensions of the old Soviet Union's status as a military superpower.

The best-developed military arm is the Soviet strategic nuclear arsenal, including not only missiles but also submarines and bombers.

Long engaged in an indirect dialogue with U.S. strategists, the Strategic Rocket Forces, a separate, elite service in the Soviet armed forces, shunted SS-25 mobile missiles back from launch positions in the field and into bases last week during the attempted overthrow of Mr. Gorbachev, officials said.

This maneuver, first reported Wednesday by The Washington Post, was a clear signal to U.S. intelligence in the sign language of international crisis management that has developed during the nuclear era.

Only the United States has the satellite capability to pick up moves of this kind, and the intelligence presumably helped steady President George Bush's handling of the crisis. European leaders were apparently not informed of the signal from the Soviet military.

European governments, without satellites, are even more anxious than Washington to see Soviet strategic missiles remain under the control of a single centralized authority.

President François Mitterrand of France was quoted Wednesday as having told a cabinet meeting about his fears that every Soviet republic might get "a little atomic bomb, some of them equivalent to one or two Hiroshimas."

Seeking Western support for the survival of a strongly centralized Soviet military force, at least for nuclear arms, a scientific adviser to Mr. Gorbachev has called for an international initiative to help stabilize future control over Soviet strategic weapons.

Yevgeni P. Velikhov, in an interview with The Washington Post, said that international concerns about possible proliferation should prompt other governments to help Moscow secure a smaller nuclear force.

The Associated Press
Soviet soldiers dismantling the barricades set up last week by coup resisters in front of the Russian parliament building in Moscow.

In the Countryside, Coup Just 'More of the Same'

New York Times Service

KLIN, U.S.S.R. — Lenin stood untoppled and undefiled Wednesday on his pedestal in First of May Square, as serene as this provincial city after Russia's 10 days of panic, deliverance and recrimination.

Just 80 kilometers (50 miles) from the Moscow epicenter of the quake that toppled the Communist temple, this city of 95,000 weathered the tremors with an outward calm bordering on indifference, and a conviction that nothing as important as the price of sausage will change as a result.

"It was interesting, but my thoughts were elsewhere," said Yulia Gladyshev, 21, who spent last week preparing for her Saturday wedding to the driver of a bread truck.

"We've gotten used to it," she said. "They're always springing some surprise on the people — a price increase, a monetary reform. We all feel like laboratory rabbits.

"We've been through so much — and now a coup, well, it was just more of the same drama. One thing we've learned from our history: we can endure anything."

If the junta had prevailed, "things would have been worse," ventured Roman Barkhatov, 24, the best man.

"How do you know?" the bride retorted. "Maybe it would have been better. What do we know? We're just subjects in an experiment."

For all the Moscow partisans who stood on the barricades last week, the view from this region of chemical and glassworks, dairy farms and potato fields is probably more typical of how the country as a whole weathered the August upheavals.

It was not precisely apathy; more a numbing fatigue after six years of noise and disappointment, mixed with a stiffening of anxiety among those old enough to remember past repressions, and an abiding Russian sense that Moscow's intrigues are beyond the ken of mere citizens.

"Everyone suffered through it in his soul," said Viktor A. Gladyshev, the bride's new brother-in-law and editor of the local newspaper, Hammer and Sickle. "But the first thought was that, come what may, we have to keep feeding our families."

The editor, 34, arrived at his office on Coup Monday and waited for the phone to ring with urgent questions and opinions from his 20,500 readers.

The phone remained silent, "as if everyone had died," he said.

Since then only one reader, a frequent correspondent, has written in to register her reaction to the coup — which was indignation and dismay.

On Coup Tuesday, the editor dropped in at the Termo-Pribor instrument factory, which makes equipment for hospitals and the Defense Ministry, to canvass opinions of the workers. He found confusion and agitation, but no alarm.

"Among the younger workers, the main concern was how to avoid the draft," he said. "Everyone assumed they would start drafting people to enforce the military curfew."

Gennadi P. Lushnikov, a local anti-Communist, and his son Dmitri traveled the 80 kilometers to join the defiant crowd outside the fortified headquarters of Boris N. Yeltsin's government building, but this was regarded as so extraordinary that it merited a story in the newspaper.

"Nobody saw any sense in throwing down our work and going to Moscow," recalled Vasili D. Kuzmin, a young brigade leader at the Termo-Pribor plant. "Coup or no coup, people would be worse off if everyone stopped work."

Throughout the days of uncertainty, citizens remarked on the conspicuous silence of their local government and Communist Party.

On Coup Wednesday, as the plot was unraveling in Moscow, Klin Communists gathered at the town Social-Political Center for a scheduled lecture on the party's new draft program. Bombarded by questions from the floor, the party leaders waffled.

"We had no instructions from Moscow," Igor V. Muratov, the local party leader, explained. "We could not give our assessment to what was happening. Our only thought was that we had an obligation not to arouse political passions. In that, our position reflected the position of the people."

So the pace of life poked along normally toward the weekend. Saturday — declared a day of mourning in Moscow for the three partisans who died confronted an armored vehicle — was in Klin a big day for weddings.

Only one guest failed to show up for the Gladyshevs' champagne banquet at the rented room in the Klin cafeteria.

"She thought it was inappropriate to rejoice on a day of morning," the bride recalled. "But she's an unusual person, a little extreme about politics."

— BILL KELLER

Azerbaijan Lifts 'Emergency'

MOSCOW — President Ayaz Mutalibov of Azerbaijan on Wednesday lifted a state of emergency in Baku, the capital, and authorized the creation of "independent military units," the Assa Iradi press agency reported.

COUP: *A Feverish Hunt for the Great Secret Behind the Failed Putsch*

(Continued from Page 1)

might complicate relations with the West.

Both men have denied any role in the coup, but have been dismissed from their jobs for failing to oppose it.

Mr. Shcherbakov said this story raised the possibility that Mr. Pavlov and other senior officials were either recruited after the fact or fooled into endorsing the emergency regime.

He declined in an interview to offer his candidate for the mastermind, but underscored the role of the men who went to see Mr. Gorbachev.

According to Gorbachev aides who were present, the delegation consisted of General Plekhanov with two aides; Oleg Baklanov, who oversees military industry; Oleg Shenin, the chief of Mr. Gorbachev's Communist Party staff; General Vitali I. Varennikov of the army; and Valeri I. Boldin, the chief of the president's staff.

"When these men returned, the coup was a fait accompli," Mr. Shcherbakov said.

Mr. Shcherbakov said his dupe theory might explain why the coup was such a spectacular failure when the conspirators had the world's largest army and secret police at their disposal.

Why, for example did the KGB fail to arrest Mr. Yeltsin and liberal officials at the outset of the coup, an astonishing slip-up considering that the Russian leader was lightly guarded and, on the day of the coup, flew home by commercial airplane from a well-publicized visit to Kazakhstan? Because the KGB chief, Vladimir A. Kryuchkov, was not completely on board, the theory goes.

Perhaps the most striking picture that emerges — unintentionally — from Mr. Shcherbakov's account is the way government officials quickly retreated into their jobs rather than defy the new order.

A few reacted with triumph at apparently the end of Mr. Gorbachev's reforms; a handful questioned the legality of the coup, but most sought immediate refuge from the greater questions in fulfilling their tasks of keeping the railroads moving and getting in the wheat harvest.

The conspiracy hunt presumes that while the Gang of Eight, as the top arrested officials are called, were all sufficiently reactionary to fall in line with a coup, most of them lacked the daring, the imagination and the personal authority to lead one.

Among the prominent figures implicated in the scheme, Mr. Baklanov, Mr. Lukyanov and Boris K. Pugo, the interior minister who shot himself afterward, have emerged as favorite suspects for mastermind.

Among hard-liners, the favorite assumption is that the coup was provoked by radical reformers in hopes of clearing away the resistance to drastic changes in society.

"Perhaps the most outlandish version," in the judgment of the weekly newspaper Commersant, fingers Mr. Yeltsin as the instigator of the coup, based largely on the fact that he emerged as the biggest winner.

"The flaw in this version is purely esthetic," Commersant observed. "It allots the very foolish role of being manipulated by Yeltsin to the leaders of the defeated putsch committee."

Commersant also scoffed at another version, popular across the political spectrum, which suggests that Mr. Yeltsin and Mr. Gorbachev connived together to clear the way for radical change.

"Why should two legally elected presidents, who enjoy absolute power and who had reached an understanding (albeit secretly), try to rid themselves of political enemies with the help of such an extravagant and risky maneuver?" the newspaper wondered.

The theory that seems to hold the widest audience is that Mr. Gorbachev himself was a tacit conspirator in his own overthrow.

The reasoning here is that if the coup was successful he would return as the head of a much tamer country, and that if it failed he would be liberated from the circle of hard-liners who have hamstrung his efforts at reform.

Even as the Emergency Committee was extending its feeble grip over the city, Eduard A. Shevardnadze, the former foreign minister, raised the possibility that Mr. Gorbachev might have been a knowing participant, and it has captivated normally sober Muscovites.

Issue of State After the Coup: Is It Time to Bury Lenin?

Reuters

BERLIN — The mayor of Moscow, Gavriil K. Popov, said Wednesday that Lenin's body might be removed from the Lenin Mausoleum on Red Square and taken to the Soviet state founder's provincial hometown.

"Some absolutely legitimate proposals are being forwarded under which Lenin would be buried beside his mother" in Ulyanovsk, Mr. Popov said at a news conference in Berlin. He said that Lenin had asked to be buried beside his mother in his last testament.

Lenin's embalmed body has been on display in the mausoleum since his death in 1924.

Thousands of Muscovites still devoted to communism have visited the mausoleum in recent days, many out of concern that Lenin's body might not be on display much longer.

RUSSIA: *Its Steamroller Political Tactics Stir Concern in Other Republics*

(Continued from Page 1)

a union treaty are frightened of global Russian dominance."

A politician who seizes on opportunities with almost preternatural speed, Mr. Yeltsin has won plaudits for his quick assault on the corruption inside the leaderships of the Communist Party, the army and the KGB.

But the very qualities that helped Mr. Yeltsin stand up to the leaders of the coup d'état — his strength of conviction and his decisiveness — are what now concern some people here.

Mr. Yeltsin has ordered the closing of newspapers and television programs that his government suspects of treason. Even some of Mr. Yeltsin's most enthusiastic boosters are concerned that his government is beginning to use high-handed "Bolshevik" tactics under the banner of democracy.

Vitali Tretyakov, the editor of the new independent newspaper Nezavisimaya Gazeta, said that Mr. Yeltsin made a serious mistake in closing down the Communist Party daily, Pravda. Mr. Yeltsin also shut down Leninskoye Znamya, Moskovskaya Pravda, Selskaya Zhizn, Trud and Rabochaya Tribuna, which all printed the declarations of the eight-man junta.

In Leningrad, local authorities have reportedly shut down the popular nightly program "600 Seconds" presented by a hard-line nationalist with close connections to the KGB, Alexander Nevzorov.

"Probably the reason they're banning us is that '600 Seconds' was the only Soviet newscast that suggested on the first day of the coup that Gorbachev himself may have been part of the conspiracy," said Tamara Konopleva, one of the show's producers.

In Moscow, the director of the Communist Party Higher School reacted with outrage when city officials shut down his institute. The school, which had been a citadel of ideological education for generations of party officials, is now sealed.

"It is illegal. They are behaving like neo-Bolsheviks," the institute director, Anatoli Vavilov, told Reuters. Instructors streamed out of the building hauling boxes of books and papers. Moscow City Hall has decided that the school will reopen as the Russian Humanitarian University.

Anxieties about Mr. Yeltsin are nothing new. Two years ago, the late human rights activist, Andrei D. Sakharov, told his family that he could not vote for Mr. Yeltsin in a legislative race for fear that the former Moscow party boss would turn out to be a power-hungry demagogue.

But when he came to power in the Russian Republic, first as parliamentary chairman and then as president, Mr. Yeltsin surrounded himself with precisely the intellectuals and new-wave politicians who had regarded him initially with so much caution.

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COMMUNISM'S COLLAPSE: Delegations from foreign countries are pouring into the Baltic republics

Lithuania Says Soviets Agree To Let Its Youths Leave Army

By Stephen Kinzer
New York Times Service

VILNIUS, Lithuania — The Soviet government has agreed to stop conscripting Lithuanian youths and to release those now serving in the Soviet Army, President Vytautas Landsbergis announced Wednesday.

Mr. Landsbergis spoke after meeting with the new Soviet military commander for the Baltic region, Lieutenant General Vladislav Mironov.

Although no announcement was made concerning conscription in the two other Baltic republics, Latvia and Estonia, aides to Mr. Landsbergis said they presumed that the same policy would be applied there.

Lithuania declared its independence from the Soviet Union more than a year ago, but only after the failed coup in Moscow last week has the Soviet government acknowledged that the declaration is irreversible.

This week, foreign nations began recognizing Lithuania as a sovereign state. According to official figures, 23 nations have extended formal recognition to the Landsbergis government. The list is growing daily.

Asked about the reluctance of the United States to extend immediate recognition, Mr. Landsbergis replied, "We can wait a little longer."

Delegations from foreign countries are pouring into Lithuania and the other Baltic republics. Italian and Norwegian specialists have been in Vilnius seeking to rent space for a diplomatic mission, and a group of Danish members of parliament is here for meetings with political leaders. Foreign Minister Roland Dumas of France is scheduled to tour the region Thursday.

When Soviet conservatives launched their coup against President Mikhail S. Gorbachev, Lithuanians feared that their hopes for peaceful secession might be crushed. They quickly removed hundreds of cement slabs from various construction sites and used them to build barricades across main streets and around government buildings.

The cement barricades, along with rows of barbed wire and other obstructions, still surround the parliament. Militiamen guard the entrances. No one may enter without a written invitation from someone inside, and journalists assigned there must obtain new accreditation every day.

Mr. Landsbergis said he hoped the withdrawal of the 80,000 Soviet soldiers from Lithuania would begin this year and be completed by 1994.

The Soviet government has not announced a timetable for withdrawing its troops from the Baltic republics. Mr. Landsbergis said General Mironov had told him that he was not yet authorized to negotiate that question. But he said he was satisfied with the position of the Soviet Union's new military commanders.

Mr. Landsbergis said he had been assured that the conscription of Lithuanian youths into the Soviet Army would end immediately. He said that the question of releasing Lithuanians now in the army, who are believed to number less than 1,000, "is being resolved, and will be resolved very soon."

■ Mounting Support for Independence

The Baltic republics, their authority bolstered by European Community recognition on Tuesday of their independence, won further backing Wednesday, news agencies reported.

Germany and Sweden reestablished diplomatic ties with Latvia, Lithuania and Estonia, and a host of countries said they also were prepared to recognize them.

The high point of the day was the renewal of ties by Bonn 52 years after Nazi Germany signed over the freedom of the three states to the Soviet Union under a secret pact between Stalin and Hitler.

"From our point of view, it is only today that the last consequences of the Second World War have been done away with," the Estonian foreign minister, Lennart Meri, said. "We have closed one chapter to open up a new one."

Later Wednesday, Mr. Meri and the Lithuanian and Latvian foreign ministers went from Bonn to Sweden to sign documents re-establishing relations and to meet with King Carl XVI Gustav. Foreign Minister Sten Andersson said he would have embassies established in the three Baltic capitals on Thursday.

The Baltic foreign ministers planned to re-establish relations with Finland in a ceremony Thursday in Helsinki.

Iceland, Norway and Denmark re-established relations with the Baltic republics Monday and Tuesday, and Denmark sent the first ambassador, Otto Borch, who presented his credentials to the Latvian government on Tuesday.

On Wednesday, the Netherlands recognized the independence of the three Baltic states in accordance with the European Community agreement, and the Foreign Minister Dumas of France is due to visit the Baltic states Thursday and Friday, renewing ties first established in the 1920s.

Countries that have now issued statements saying that they formally recognize the Baltics as sovereign states and intend to establish diplomatic relations include Argentina, Australia, Belgium, Bulgaria, Canada, France, Britain, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, New Zealand, Poland, Portugal, Spain and Uruguay.

Other countries, like the United States, Cyprus, Japan and Austria, have indicated they intend to make recognition statements or establish diplomatic ties soon. *(AP, AFP, Reuters)*

Dusan Vranic/The Associated Press

A youth examining the anti-Communist graffiti on a Lenin monument in Kiev, the capital of the Ukraine, which has joined other republics in the rush to independence.

'No Use Debating Who Is Mightier,' Ukraine Says

By Francis X. Clines
New York Times Service

KIEV, U.S.S.R. — As crowds fervently demanded independence, leaders of the Ukraine told an emergency delegation of Moscow officials on Wednesday that the republic wanted no part in a renewed Soviet Union.

"There's no use debating who is older, bigger or mightier," the republic's leader, Leonid M. Kravchuk, declared after a meeting with Soviet and Russian officials who arrived in fear that the Ukraine's rapidly accelerating independence drive would seal the political demise of the Soviet Union.

"Let's start like equals," said Mr. Kravchuk, the parliament chairman and recently resigned Ukrainian Communist leader, who now has cast his lot solely with the Ukrainian nationalist cause.

Mr. Kravchuk's remarks to reporters during a day of critical negotiations for the Soviet future referred to the nationalist passions stirred by a warning to other Soviet republics from Boris N. Yeltsin, the president of Russia.

Mr. Yeltsin has cautioned secessionist neighbors like the Ukraine to expect Russia to protect its interests in a dissolved union by taking a close look into various long-standing border grievances.

The effect of Mr. Yeltsin's warning in the Ukraine has been to further electrify the separatist drive.

Hopes in Moscow to salvage some sort of national unity now focus on this critical republic, the second most populous and a principal Soviet agricultural and economic region.

Together, Russia and the Ukraine hold 70 percent of the Soviet population and represent the key to whatever future political association might follow upon the currently trembling union.

Gathered under a sign that proclaimed "No to Russian Imperialists," thousands of Ukrainians loudly rebuffed the pleas to national unity by one of the Russian delegates, the mayor of Leningrad, Anatoli A. Sobchak.

"Independence!" the crowd shouted as Mr. Sobchak sought vainly to argue for the advantages of holding to the union at such a critical moment.

"The Soviet Union is falling apart," Mr. Sobchak conceded to reporters earlier in the day before facing the fervor of the Ukrainian crowds. "If disintegration proves uncontrollable, we are on the verge of collapse."

Inside the Ukrainian parliament, the delegation from the Soviet and Russian governments sought to calm border fears and focus on repairing the tattered union.

But Mr. Kravchuk was calling for the 15 Soviet republics to go forward independently as a loose confederation of equals, and not as a redesigned Soviet Union.

Behind the Ukrainian position were growing doubts that Mr. Yeltsin, in the fact of his continuing moves to bolster Russia's economic and political powers over the national government, was serious any longer in his claim to want to preserve the union.

Mr. Kravchuk said that the emergency delegation was particularly concerned over the Ukraine's position that it wants "nothing to do with the union treaty."

The treaty, a proposed power-sharing compromise between the central government in Moscow and the major republics, fell apart following the failed Kremlin coup last week.

Negotiations for the treaty over a broad range of political, economic and defense issues were particularly tricky because the political survival of both the union and of individual republic politicians was at stake.

Mr. Kravchuk is aiming to be elected president of the Ukraine on Dec. 1, the same day republic voters cast their ballots in a referendum on independence that the parliament endorsed on Saturday. The referendum is likely to be strongly approved.

Mr. Yeltsin's warning on borders and his continuing series of executive orders taking control of various union institutions in the name of Russia have encouraged the independence drive in the Ukraine.

They also have stirred age-old fears of Russian dominance and bolstered the nationalist political agenda that Mr. Kravchuk is championing in place of the Ukrainian Communist Party he renounced last week.

"This is the turning point in the final breakup of the Soviet Union," said John P. Hewko, a Ukrainian-American who is advising the republic on the task of creating an independent government.

"If Yeltsin backs off his unwise statements on borders and ethnic tensions, then I think the breakup of the Soviet Union will be peaceful, though difficult and long," Mr. Hewko said.

The ethnic concern touches a complicated array of groups and issues along the Russian-Ukraine border.

Most important at the moment is the 20 percent of the Ukraine's 50 million population that is Russian, concentrated in the eastern part of the republic.

Relations have been relatively calm between Ukrainians and Russians in the last two years of rising nationalism.

But the crowd outside the parliament, as much as they were talking and cheering for independence, seemed impelled by the emotions rooted in Mr. Yeltsin's border warning.

Dusan Vranic/Agence France-Presse

Paratroops in armored vehicles guarding the road Wednesday to Boris Yeltsin's dacha near Moscow.

Communist Asia Expected to Circle the Wagons

By Michael Richardson
International Herald Tribune

SINGAPORE — The three major Communist countries in the Far East, alarmed at the breakdown of Soviet power, will forge closer ties to protect communism in Asia from growing pressure for political change, analysts said Wednesday.

China and Vietnam, already cooperating to settle their long-standing conflict over Cambodia, will likely lead the way toward greater ideological solidarity, followed closely by North Korea.

With advocates of radical change in a dominant position in the Soviet Union, officials in Beijing, Hanoi and Pyongyang are worried that Western democratic values will make increasing inroads into their countries, strengthening demands for political pluralism and eroding the monopoly on power of the ruling Communist parties.

[In its first formal response to the Soviet Communist Party's fall from grace after the coup, China said Wednesday that it respected the will of the Soviet people but made no mention of concerns over the future of communism, The Associated Press reported from Beijing.

["We have always believed that the internal affairs of the Soviet Union should be handled by the Soviet peoples themselves," a Foreign Ministry statement said.]

Chinese and Vietnamese officials are preparing the ground for a meeting of their Communist Party leaders, probably in Beijing in November, according to political sources in Hanoi. It will be the first such meeting between leaders of the two largest Communist countries in Asia since 1977.

Carlyle A. Thayer, a visiting fellow and Indochina specialist at Australian National University in Canberra, said that because Hanoi could no longer rely on Moscow for aid or protection, it wanted to restore party-to-party ties with China, send Vietnamese to China for training, coordinate policies more closely with Beijing and gain access to Chinese aid and weapons.

Although major territorial disputes in the South China Sea still have to be settled between Hanoi and Beijing, diplomats said the accord on Cambodia and a common interest in mutual ideological support had laid the basis for the meeting between Jiang Zemin, the general secretary of the Chinese Communist Party, and Do Muoi, his Vietnamese counterpart.

Mr. Thayer said that once a Cambodian settlement had been reached, there would probably be similar visits by Vietnamese party and government officials to North Korea. But he said he expects to see "an Asian socialist community, rather than an alliance" emerging between Beijing, Hanoi and Pyongyang.

The ruling Marxist parties, particularly in China and Vietnam, are trying to buttress their hold on power and strengthen economic growth by introducing limited free-market changes and developing commercial relations with non-Communist nations.

Analysts say there is therefore little chance of a reversion to the revolutionary foreign policy of the 1960s and 1970s, when Asian Communist countries sought to undermine non-Communist states in the region by armed subversion.

While China, Vietnam and North Korea will try to close ranks, they will probably also seek to improve relations with Asian Pacific nations for economic reasons, according to Derek da Cunha, a fellow at the Institute of Southeast Asian Studies in Singapore.

"The economic opening to the outside world is essential for their political survivial and for lessening the great sense of isolation they are now feeling," he said.

North Korea has found itself increasingly isolated as a result of South Korea's commercial and diplomatic overtures to the Soviet Union and China in the last few years.

The failure of the conservative coup in Moscow last week "means that South Korea will be in an even better position to push for stronger commercial relations between itself and Russia, putting the North in a position where it might have to compromise its principles" to reach an accommodation with the South, said Bruce Gale, regional manager of Political & Economic Risk Consultancy in Singapore.

Analysts said there would be growing pressure on China, Vietnam and North Korea from the United States and other Western nations to improve observance of human rights and introduce greater political openness.

But Noordin Sopiee, director-general of the Malaysian Institute of Strategic and International Studies, cautioned that external pressure might drive the three major Asian Communist powers into a closer relationship.

He said members of ASEAN, the Association of Southeast Asian Nations, should intensify political and economic ties with the Communist countries, particularly with Vietnam and China, to prevent their isolation and demonstrate goodwill.

Pankin Gets Foreign Ministry

Compiled by Our Staff From Dispatches

MOSCOW — Boris D. Pankin was appointed Soviet foreign minister Wednesday on the basis of a single, but rare, deed. Alone among the Soviet diplomatic corps, the ambassador to Czechoslovakia spoke out against the coup d'état when tanks were still on the streets of Moscow and President Mikhail S. Gorbachev was still captive in the Crimea.

His appointment characterized the clean sweep going across the breadth of top government posts, as a chastened Mr. Gorbachev and a reassembled team of liberal advisers cast about for faces that were either new or at least untainted by the failed coup.

Mr. Pankin's predecessor, Alexander A. Bessmertnykh, was dismissed by Mr. Gorbachev for "maneuvering or worse" during the coup.

In contrast, Mr. Pankin, 60, dissociated himself from the self-declared leadership and declared his loyalty to Mr. Gorbachev.

On Aug. 21, two days after Vice President Gennadi I. Yanayev and other hard-liners seized power, Mr. Pankin appeared on Czechoslovak television and called the coup "a fatal mistake on Yanayev's part."

"I'd like to appeal to Yanayev," he said, "and call on him to understand his mistake and to correct it as soon as possible."

A Foreign Ministry spokesman said that Mr. Pankin was the only Soviet ambassador to denounce the plot while it was still under way.

Mr. Pankin, a former journalist, spent eight years as Soviet ambassador to Sweden before being sent as Moscow's envoy to Czechoslovakia in May 1990.

While in Czechoslovakia, Mr. Pankin's main tasks were to oversee the withdrawal of Soviet troops after the demise of the Warsaw Pact military alliance and to find ways to renew trading links cut by the end of the Soviet-led Comecon trade association.

In Sweden he had to negotiate the emotionally charged issue of Raoul Wallenberg, the Swedish diplomat who smuggled thousands of Jews out of the clutches of Nazi persecutors from his embassy in Budapest during World War II.

Mr. Wallenberg disappeared after Soviet troops drove the Germans out of Hungary. The circumstances of his death have never been clarified to the satisfaction of his family, although Soviet authorities say they have proof he was killed in the KGB's Moscow headquarters.

Mr. Pankin's appointment still must be confirmed by the Supreme Soviet.

A spokesman for the Soviet Embassy in Prague said that Mr. Pankin had left for Moscow on Wednesday morning.

Before the appointment was announced, Mr. Gorbachev had scheduled a meeting with the former foreign minister Eduard A. Shevardnadze, starting speculation that he might ask him to return to office.

Boris Dmitrievich Pankin was born on Feb. 20, 1931. He was educated at the Communist Party Central Committee's Higher Party School, the standard training ground for all diplomats.

He worked at Komsomolskaya Pravda, the newspaper of the Communist Youth Organization, leaving it as chief editor in 1965.

(NYT, Reuters)

Time for Normal Ties, Japan Says

Reuters

TOKYO — Prime Minister Toshiki Kaifu has sent a letter to President Mikhail S. Gorbachev saying it is time to normalize ties between Japan and the Soviet Union, Kyodo News Agency reported Wednesday.

The letter was delivered to Mr. Gorbachev on Tuesday, according to Kyodo. The Foreign Ministry would not confirm the report.

Tokyo refuses to sign a peace treaty or provide large-scale economic aid to Moscow until the Soviet Union returns four islands off northern Japan seized by the Red Army at the end of World War II.

On Tuesday, announcing that Tokyo would recognize the three Baltic republics once Moscow did the same, the chief cabinet secretary, Misoji Sakamoto, said: "I hope such territorial changes in the Soviet Union could help a return of the islands."

The deputy foreign minister of the Russian Republic, Georgi Kunadze, told Jiji Press news agency that movement on the islands' dispute was possible. The Russian Republic would seek to sign a peace treaty with Japan, and Asian and Pacific issues would take priority in its future diplomacy, Jiji quoted him as saying.

Major, in U.S., Urges Boost In Emergency Food Aid

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — Prime Minister John Major of Britain said Wednesday that short-term emergency food aid and technical advice from the West should be stepped up to prevent chaos and foster democracy in the Soviet Union.

But the prime minister said that large-scale Western aid could only flow to the Soviets in the longer term, after they adopted a clear plan to overhaul the economy and cut military spending.

"They continue to need exactly what we specified," Mr. Major said, "and they need it more urgently, more speedily."

Mr. Major's spoke as he prepared to confer with President George Bush and to fly to Moscow this weekend for meetings with Soviet leaders.

"There's a very great stake for the West in ensuring that the changes that there have been in the Soviet Union settle down and that the reform path continues, and that they turn into a democracy," Mr. Major said in a television interview.

Economic change has not followed political change, he noted, adding, "We must help them to produce it; it's in our interest, and they need it."

The first things the Soviets need, Mr. Major said, are advice, technical aid, food aid and the restoration of food credits.

The prime minister's position seemed to differ somewhat from that offered by U.S. officials. Mr. Major on Wednesday stressed the need to prevent chaos in the near term as the Soviet Union regained its political balance following last week's attempted coup.

President Bush, on the other hand, has appeared more cautious, saying that the potential for chaos was a reason to avoid sending any aid now that could be misdirected.

But Mr. Major said there were no differences between his position and that of Mr. Bush. The prime minister flew from Washington to Maine later Wednesday to join Mr. Bush for three days of talks and relaxation before his trip to Moscow for talks with Mikhail S. Gorbachev and Boris N. Yeltsin.

Moscow Pledges To Accelerate German Pullout

Washington Post Service

BONN — The 258,000 Soviet troops still stationed in Eastern Germany will be pulled out sooner than a German-Soviet treaty requires, the Soviet defense minister said.

In an interview on German television, Defense Minister Yevgeni I. Shaposhnikov said not only that "there will be no brakes put on the troop withdrawal," but that Germany's most fervent wish — the complete removal of Soviet forces from its territory — will be fulfilled before the deadline of the end of 1994.

"I can make the happy announcement that the troop withdrawal will now be completed faster than planned," Colonel General Shaposhnikov said.

German military officials said last week that 258,000 soldiers remained at Soviet installations in Germany, compared with about 360,000 when the pullout began. About 70 percent of this year's agreed quota of troop removals has already been achieved.

GORBACHEV: *KGB Shake-Up Over Coup Role, and Treason Charges*

(Continued from Page 1)

tards, where are they pushing the country?"

With Mr. Gorbachev's approval, the Soviet legislature formally dismissed the national cabinet in the aftermath of last week's attempt to overthrow him by hard-line communists.

Seeking to hold the crumbling Soviet state together, the legislature approved a temporary administration, with members from all 15 constituent republics, to run the economy.

"I cannot trust this cabinet. That is that," Mr. Gorbachev, still bitter over ministers' role in the failed coup, told the chamber before the 402-to-16 vote.

Earlier, he dissolved the governing body of the KGB security service in another effort to restore his authority.

This hit at the third pillar of the old Soviet establishment, after the confiscation of Communist Party property and an announcement of sweeping changes in the command structure of the armed forces.

The composition of the new interim administration, headed by the Russian prime minister, Ivan S. Silayev, confirmed the growing influence of the giant Russian republic, home of 150 million of the Soviet Union's 285 million people.

Mr. Silayev, who is in effect acting as the Soviet prime minister, will oversee the ministries of finance, defense, internal and foreign affairs, as well as the KGB, the press and national resources.

Another of Mr. Yeltsin's associates, Yuri Luzhkov, deputy mayor of Moscow, is responsible for agriculture, trade and social affairs.

A radical economist, Grigori Yavlinsky, is charged with drawing up an overall strategy for market reform.

A former Gorbachev aide, Arkady Volsky, the fourth member of the governing committee, takes charge of industry, construction, transport and communications.

Of the 21 ordinary members of the committee, three were given specific responsibilities and two of them are Russians.

A Russian deputy prime minister, Ivan Gavrilov, will oversee energy — the Soviet Union is the world's biggest oil producer — and another, Yevgeni Saburov, overall economic questions.

An official from Kazakhstan, A Bektemisov, has been put in charg of industrial supplies.

The other officials were given n specific portfolios. They includ ministers or senior officials from a the republics, despite the fact tha eight of the 15 have declared ind pendence or have plans to mo that way.

(AP, Reuter

Gorbachev Aide Heads Tass

Reuters

MOSCOW — President Mikhail S. Gorbachev's chief spokesman, Vitali N. Ignatenko, has been appointed on Wednesday as head of the Tass press agency.

Soviet Notes

■ **Les Aspin proposed trimming $1 billion** from U.S. weapons programs provide humanitarian aid to the Soviets. Mr. Aspin, Democrat of W consin, the chairman of the House Armed Services Committee, said, "W do not want the first winter of freedom after 70 years of communism to a disaster for the Soviet Union." He was referring to crop shortfalls a other economic disasters looming there. *(A*

■ **Boris N. Yeltsin has asked** the United Nations to help Russia revive cultural heritage, an official at the Soviet diplomatic mission in Gen said Wednesday. Mr. Yeltsin made the request in a letter to Secreta General Javier Pérez de Cuéllar. He proposed that the United Nati should designate some future year as the Year of the Rebirth of Ru and back the restoration of Russian monuments. *(Reut*

■ **Byelorussia and the Ukraine** can become independent states as fa the United Nations is concerned, since they are already full UN m bers, Secretary-General Javier Pérez de Cuéllar said. "It is for them to whether they want to be separate countries or not — that is t problem," he said. When the United Nations was founded in 1945, two republics were given full membership in addition to the Soviet Un so that Moscow would have more than one vote. *(Reu*

هكذا من الأصل

HEALTH / SCIENCE

IN BRIEF

Ethanol Auto Fuel Is Seen in a Decade

NEW YORK (AP) — Automobile fuel produced from household garbage, recycled newspapers and specially bred "energy crops" will be competitive with gasoline by the end of the decade, researchers say.

Trees, grasses and crops such as sweet sorghum and so-called energy cane, a form of sugar cane, also will be used to produce ethanol fuel as cheaply as gasoline, said Mark T. Holtzapple of Texas A&M University. "We have the technology," Dr. Holtzapple said at the meeting of the American Chemical Society. "It's a social choice; I don't think it's a technology barrier."

Lee R. Lynd of Dartmouth College said that ethanol can now be produced for about $1.30 a gallon (3.8 liters). It should be possible to cut that in half and make the process competitive with gasoline by the year 2000, he said. Use of ethanol instead of gasoline would substantially reduce the buildup of carbon dioxide in the atmosphere, the researchers said.

Maker Admits Lack Of Data on Halcion

WASHINGTON (WP) — Upjohn Co., which makes Halcion, the most widely prescribed sleeping pill in the United States, has confirmed that it submitted incomplete data on the side effects of the controversial drug to the U.S. Food and Drug Administration when it sought approval to sell the drug here.

A spokesman for the British subsidiary, Upjohn UK, has acknowledged in an interview with a British newspaper, *The Sunday Express*, that details of some patients' adverse reactions to the drug during this trial had been omitted from a summary presented to the FDA and other drug-control agencies because of a "transcription error." A spokesman for the Michigan-based Upjohn Co. in the United States confirmed the error in the summary but said that detailed case reports of the side effects had been given to drug regulators.

The data were supposed to tell the FDA how often certain adverse side effects occurred in healthy volunteers who took part in an early trial of the drug. Upjohn says the side effects were not serious and should not affect the way the drug is used. However, consumer groups and critics of Halcion, which has been linked to severe psychological disturbances, claim that the data show the drug does cause adverse changes in mood and behavior.

More than 7 million prescriptions for Halcion were written in the United States last year, according to industry sources. Halcion also is sold in more than 90 other countries and is Upjohn's second biggest earner, bringing in about $250 million a year.

Self-Defense System In the Tomato Plant

WASHINGTON (AP) — Tomato plants don't get mad at bugs — they get even by making their own insecticide as a result of an internal signal system to alert cells to be ready for insect attack.

Clarence A. Ryan, a Washington State University biologist, said in an interview that as an insect crunches up portions of a leaf or a stem on a tomato plant, the cell destruction releases a sort of chemical warning that circulates throughout the plant. This chemical, called a polypeptide, causes genes in all the plant's cells to form a second compound. "The insects get sick, stop growing and eventually die," said Dr. Ryan.

Researchers now hope to identify the gene that produces the polypeptide. Dr. Ryan said it is possible that the gene could be inserted into other plants, such as alfalfa. This would be a first step toward developing in that crop a new natural protection against insect attack. He said that work also is under way to transfer the bug killer gene from the tomato plant into other food crops, such as corn and rice. The researchers' report was in the current issue of the journal Science.

Computer 'Creature' Mutates and Wows Scientists

By Malcolm W. Browne
New York Times Service

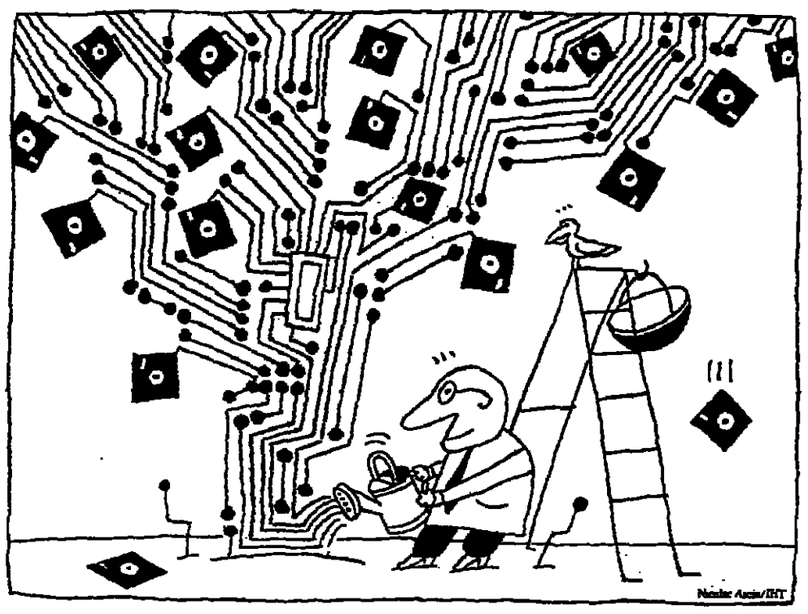
NEWARK, Delaware — A "creature" consisting only of ones and zeros has emerged from its computer womb and caused a scientific sensation: without human guidance it reproduces, undergoes spontaneous genetic changes, passes them on to offspring and evolves new species whose interactions mimic those of real biological evolution and ecology.

The creature, actually a coded set of 80 instructions written in a special "machine language" understood by the operating cores of computers, is the work of Dr. Thomas S. Ray, a plant biologist at the University of Delaware, who became a computer expert to study the underlying dynamics of life.

The descendants of what Dr. Ray calls his "ancestor creature" can now evolve on their own, and some have devised clever ways (completely unforeseen by Dr. Ray) to multiply, gain advantage over competitors and stave off extinction.

His creature is actually a computer program with some very unusual features. Not only can the sequence and type of its instructions undergo spontaneous change, but the program creates its own central processing unit, in effect, a computer.

Dr. Ray devised the program in the hope that it would exhibit some of the features ordinarily associated only with living organisms. It has succeeded so well that a new round of debate has developed among scientists as to where the dividing line between life and nonlife may lie.


Natalie Austin/IHT

Biologists ordinarily define living organisms in terms of their ability to operate by absorbing energy from their environments, to reproduce and to undergo genetic change that can be transmitted to descendants. All these features are properties of Dr. Ray's program.

Chemists, meanwhile, are seeking to develop synthetic self-reproducing substances that also have the ability to mutate, and some significant recent successes have been reported.

Dr. Graham Bell, a professor of biology at McGill University in Montreal, says that Dr. Ray's achievement is not real life in any sense, but is "the first logical demonstration of the validity of the Darwinian theory of evolution."

By that he means that it starts from a set of simple, mechanical rules from which, without any external influence, it creates a complex, continuously evolving world of extinctions and speciation that seems to reproduce Darwinian principles.

In a typical "run" of Dr. Ray's computer program, descendants of the original ancestor creature evolve predators and prey, hosts and parasites, parasite-immune hosts, evolutionary successes and failures and much more.

"Ray's system can actually be used as a sophisticated test of subordinate theories within the theory of evolution — a test that would be impractical to conduct in a real biological environment," Dr. Bell said.

Dr. Ray's invention, which he calls Tierra, may have far-reaching effects on computer science, as well — a possibility that was recognized by IBM when the company recently awarded him a $15,000 prize for his contribution to "supercomputing."

Dr. Ray believes that Tierra may show how a new generation of "parallel" computers could be made to evolve their own programs — programs far more subtle and clever than those devised by human minds.

Nearly all present-day digital computers are of the "serial" type, whose central processing units (CPUs) execute one program at a time. A parallel computer, by contrast, has many CPUs that can simultaneously execute and integrate many programs.

Although parallel computers are potentially vastly more powerful than serial computers (and could be used in the mathematical modeling of global climate, among other things), they are also difficult to program.

"Right now," Dr. Ray said, "no one knows very much about how to program parallel computers. But I believe we could start them out with simple programs capable of evolving on their own. By the same processes of mutation and natural selection that operate in biology, a computer program of the Tierra type could evolve useful parallel computer programs, without our having to invent them ourselves. Tierra has already done this within its own ecological system."

INTERACTIONS between many linked computer entities can lead to unpredictable and unpleasant surprises. Dr. Christopher G. Langton of the Los Alamos National Laboratory in New Mexico, a leading investigator of computer-based artificial life, said that one such surprise was the occasional spontaneous breakdown of the telephone system.

The interacting computer programs that make the system run can also (on very rare occasions) hit upon some combination of interactions causing the system to freeze up or "crash." Dr. Ray's achievement also came as a surprise to many scientists.

"When Tom told me what he hoped to do," Dr. Langton said, "I warned him that a lot of people had tried to create computer programs that would evolve on their own and had failed. When you introduce mutations — errors — into a normal program, the program just won't work anymore. But Tom did something really clever: he developed a computer language to allow some programs containing some errors to run and even to reproduce. Since he's a trained ecologist, he knew what to look for when his creatures began to evolve."

Dr. Ray and his student assistants, Thomas Uffner, Daniel Pirone and Marc Cygnus, generally allow the Tierra program to continue for days at a time.

When creatures with interesting characteristics evolve, they are automatically selected for "sequencing" — analysis of their codes — and stored in a "gene bank," from which they can be picked out for later experiments.

Fortunately, Tierra organisms are sealed off from the outside computer world in a way that makes escape impossible, Dr. Ray said.

Each organism carries out its instructions only on a "virtual" computer, not the real machine that is their ultimate host.

Aging Stars Find a Fountain of Youth

By John Noble Wilford
New York Times Service

NEW YORK — Certain aging stars of the cosmic kind have made a discovery that would be the envy of Hollywood. They have hit upon a veritable fountain of youth and manage to shine with a radiance belying their years.

For almost four decades, these stars have enchanted their most devoted fans, astronomers, by appearing hotter and brighter than they should be, considering some are not a day under 15 billion years old.

In the usual cycle of stars, they should have cooled off long ago and, like their neighboring contemporaries, settled into a quiescent old age as red giants. Yet they masquerade as hot young blue stars much less than half their actual age.

These celestial objects of mystery are called blue stragglers, for they appear somehow to have fallen behind in normal stellar evolution. In reality, they have gained a new lease on life.

Now their secret is out. And the revelation exposes one more example of bizarre behavior in the turbulent lives of the stars.

Each of these stars, astronomers are now learning, seems to rejuvenate by entering into an intimate relationship with another star and letting chemistry take its course.

Paired in gravitational embrace, these stars either merge their depleting masses to glow with an intensity one alone could not sustain, or one stokes its nuclear fires by siphoning off hydrogen fuel from an unfortunate partner.

THIS emerging view of blue stragglers as double-star, or binary, systems produced by collisions and capture, has gained important support from recent observations from the ground and especially the Hubble Space Telescope.

"Blue stragglers have been an astrophysical puzzle for a long, long time, and it's on the way to being solved," said Dr. Allan R. Sandage, the astronomer at the Carnegie Observatories in Pasadena, California, who first detected the strange objects in 1953.

Dr. James M. Nemec, an astronomer at the University of British Columbia in Vancouver, said the Hubble findings reinforced the belief that blue stragglers "were formed from stellar collisions, possibly followed by a merging of the component stars."

By being able to distinguish individual objects in thick swarms of stars, the Hubble telescope's faint-object camera discovered a surprisingly high concentration of blue stragglers in the core of one of the densest star clusters in the Milky Way galaxy.

The camera, developed and operated by the European Space Agency, picked out 20 of these luminous objects in a crowded field of more than 600 stars.

The telescope was able to make these observations despite the flaw in its main mirror, but scientists said even more detail might have been discovered if the mirror had been perfect.

Exercise Care to Prevent Muscle Cramps

By Jane E. Brody
New York Times Service

NEW YORK — Perhaps you were persuaded by friends to take a long bike ride or a hike, and though you're in good shape, your leg muscles were so sore the next day that you could hardly walk the stairs.

Or maybe you took a long swim and a painful cramp in one foot suddenly stopped you in midstroke.

Muscle soreness and cramps can afflict almost anyone. You don't even have to be doing something athletic.

Muscles can get sore from helping someone move, digging up the garden or polishing the car. You can be awakened from a deep sleep by an excruciating cramp in your calf. Or you can develop a stitch in your side while hurrying to catch a bus.

Theories abound as to why muscles develop aches, pains or cramps. And the playing fields, locker rooms and marketplace are rife with highly touted preventives and remedies, including sports drinks, bananas, stretching, liniment, ice packs and heating pads. But only a few have stood the test of scientific research.

For example, when Michael Chang, then 17, upset Ivan Lendl at the French Open two years ago, he was plagued by painful cramps in his thighs throughout much of the match. To alleviate the agony, he drank water, stretched and massaged his legs and ate bananas, a rich source of potassium, during each changeover.

The water and massage no doubt helped, and the stretching may have, too. But the bananas could not have been digested and absorbed fast enough to provide his muscles with the potassium Mr. Chang thought they needed.

Despite all the attention paid to athletic performance and exercise physiology, the causes of muscle problems are poorly understood.

Different activities involve different groups of muscles, and each time you work muscles that are not normally required to perform, soreness can result.

For example, someone who regularly jogs or swims laps can be very sore after an occasional bike ride, softball game or tennis match. You can also become sore from doing much more than is customary of a usual activity.

The discomfort is nearly always delayed, showing up a day or two later. Thus, it is almost certainly not caused by a buildup in lactic acid, the metabolic waste produced when muscles work hard. Lactic acid is washed out of muscle tissue within about 30 minutes after exercise is stopped.

The soreness more probably stems from microscopic tears in the muscle fibers, resulting in swelling, stiffness and pain. This theory gains support from the observation that actions that shorten muscle fibers do not seem to cause soreness, but actions that lengthen them do.

AP

Michael Chang, during final of 1989 French Open.

A muscle cramp, or spasm, is a painful, sustained, involuntary contraction of a muscle. It can occur, for example, in the calf of a runner or tennis player, the thigh of a cyclist or the foot or calf of a swimmer.

While most injuries are more common in people who exert themselves when they are out of shape, muscle cramps are more likely in people with well-developed muscles.

A cramp begins when a muscle contracts while already in its most shortened position. For example, when a swimmer is doing the flutter kick with toes pointed (the proper technique), the calf muscles are shortened.

An attempt to shorten them even more by stretching out the leg with toes extended can cause the muscle to go into spasm.

Other, less-frequent causes of cramps include low blood sugar, dehydration, an imbalance of electrolytes (body salts like sodium, potassium and chloride) caused by excessive sweating or the use of diuretics, inadequate conditioning or overexertion.

Muscle cramps can also result when strenuous work is performed in a very hot environment. Heat cramps may occur during the activity or as long as 18 hours later. They are most probably caused by an extreme loss of water and salt through excessive sweating.

The only sure way to prevent muscle soreness is to avoid too much of any activity to which you are not accustomed. Instead, work up slowly to the maximum desired level. Studies of stretching exercises before and after the activity suggest that a five-minute stretch may help, but lengthy stretching does not.

TAKING 400 milligrams of ibuprofen, the over-the-counter anti-inflammatory drug, a few hours before the activity and twice more at eight-hour intervals afterward can significantly decrease muscle soreness, a recent study at Texas Women's University in Houston concluded. Once muscles get sore, it may be three days to three weeks before they feel normal again.

As for muscle cramps, there are no guarantees. Be sure to drink plenty of water before and during any strenuous activity. The value of sports drinks that are high in electrolytes is in dispute, but their sugar and salts may help some people who perspire excessively or who engage in hours-long vigorous activity.

Sports nutrition specialists suggest mixing such drinks in equal parts with water to dilute sugar; too high a concentration can delay water absorption. Including potassium-rich foods, like bananas, oranges and cantaloupes, in the diet can help.

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OPINION

Yeltsin's Mixed Signals

"Law and law," Boris Yeltsin urges on those who would remake the Soviet Union, emphatically rejecting vindictiveness. Having faced down the people who would reimpose tyranny, he associates himself with Mikhail Gorbachev's passionate efforts to restore legitimate central authority. Yet he has also acted with peremptory harshness that ignites concern. Yes, the president of the Russian Republic is a hero of the current turmoil, but is he a democrat at heart?

The answer is maybe — an uncertainty demonstrating how important it is that he stand as firmly for the rule of law as he did against the coup. Sooner than any other Soviet leader, Mr. Yeltsin sensed that time had passed the old guard by. At the start of last week's coup attempt he warned the potential plotters: "It is possible to construct a throne of bayonets. It is impossible to sit on it for a long time."

He denounced the coup as unlawful and demanded the restoration of Mr. Gorbachev's constitutional government. And when that happened he proudly proclaimed, "Russia has saved the union."

But some of Mr. Yeltsin's acts were worrisome. He shut down Pravda, the Communist Party newspaper, and said it and other party papers had "waged an active campaign against the representatives of legal powers, gave disinformation to the people and were in essence participants in the state coup." He may have been right, but it was a heavy-handed way to defend freedom.

Just as dismaying was his decree banning the Communist Party. It denied the party's right to die a natural death. Then, in front of a rowdy Russian parliament and an anxious world, he bulldozed a shaken Mr. Gorbachev in the autocratic style of old apparatchiks.

Mr. Gorbachev may have been too trusting, too fearful of disorder and bloodshed, to dismiss the disloyal men around him. But at the critical moment, he got the democratic fundamental right: "We must act in such a way as to distinguish ourselves from the plotters." Instead of banning the party, Mr. Gorbachev called on it to disband. And he warned against witch-hunts.

In a time when people are prepared to spill blood over politics, special care is needed to respect the rule of law and to assure due process for those who violate it.

In the heat of the turmoil, even some respected leaders can lose their balance. As a crowd began pulling down the statue of the founder of the secret police, Felix Dzerzhinsky, one man stood up in challenge. Sergei Stankevich, the deputy mayor of Moscow and a leading democrat, asked the man his name and warned that he could be arrested as a provocateur.

As the Soviet Union cracks and heaves, unrest and paranoia may feed the authoritarian temptation. Those who pursue democracy must, above all, practice it.

— THE NEW YORK TIMES.

An Unraveling Empire

The failure of the Moscow coup finally broke the hold of the Communist Party on the structures of power and the habits of thinking of a whole nation, and as a direct result the Soviet Union is now disintegrating or at least dissolving along traditional ethnic lines. The last of the great land-built empires, until now a single but artificial and forcibly unified entity, has exploded into a new phase of rediscovering its stunningly varied and intertwined national roots.

The complexity of the situation now evolving can scarcely be exaggerated. The Baltic states, stolen by Stalin, are in a class by themselves: they deserve full independence, and since the coup they have been moving to take what is theirs. Their national rebirth is cause for satisfaction.

But independence forces are also stirring in their respective ways in almost all of the other republics. A still-resolute Mikhail Gorbachev, president of the dissolving Soviet Union, struggles to expedite a new union-republic treaty even as its provisions and its very premises come to look hopelessly outdated and stale. Russian democracy under Boris Yeltsin is drawing on the deep sources of Russian nationalism. But Russian nationalism, however satisfying to its millions of adherents, is seen as a potentially troublesome force at the least, not simply by the non-Slavic republics but by the other Slavic republics and by the non-Slavic autonomous regions within Russia itself.

The manner of the Soviet Union's passage to a new era is bound to matter greatly. Will it be violent, confrontational, divisive, negotiated, reasonably smooth, peaceful? So too will the destination matter greatly, whether it be disintegration, an irregular loosening, the reinventing of the former federation or the inventing of a brand new one, this time without a "center" or union worthy of the name. It could be the work of years to achieve these changes.

The fervor and impatience impelling the national movements in the Soviet Union are giving rise to cautions both within the country and without. Leningrad's distinguished democratic mayor, Anatoli Sobchak, for instance, sees "a serious danger of hasty decisions." President George Bush cited the "special circumstances" of the U.S. global role to account for his hesitation to join the fast-gathering international parade in extending formal diplomatic recognition to the Baltic states.

The appeals of liberated peoples to organize their national lives on the basis of democratic choice have an undeniable sanctity. But these should be accomplished with the minimum of bloodshed and injustice. The rights of minorities will need protection. Some border disputes will need resolution. And new economic relationships have to be worked out among formerly dependent republics — all this in a part of the world now in political turmoil and traditionally given to the bitterest kind of tribal enmity, one in which scores beyond number are now about to be settled.

The United States and its allies and friends cannot make it come out right, but they can have an enormous influence on the outcome, can work to lessen the hardship and anarchy and, above all, to consolidate, extend and make permanent the newly won freedom. In a way the United States got what it wanted, but the challenge for U.S. policy and diplomacy is, if anything, even greater than it was before the Communists fell.

— THE WASHINGTON POST.

Bold Steps in Cambodia

Here is some good news that deserves to be heard above the Soviet din: The killing in Cambodia's killing fields is nearing a negotiated end. On Tuesday, leaders of Cambodia's four political factions agreed to reduce their armies by 70 percent and put the rest under the United Nations' supervision. That reinforces a cease-fire in place since June. Major hurdles still stand in the way of a comprehensive settlement. But two decades of intermittent carnage seem truly over.

Give Mikhail Gorbachev a big share of the credit. Without his revolution in Soviet foreign policy there could have been no agreement by the UN Security Council's five permanent members on an overall peace plan. And Moscow's sharp cut in aid to Vietnam helped push the stubborn Hanoi leadership toward diplomatic compromise.

The final shove may have come from the reconciliation between Vietnam and China, long sponsors of rival Cambodian armies. With the world's Communist regimes now down to a lonely four, these two survivors may have judged further pursuit of their proxy vendetta too grave a risk.

Once liberated by their foreign patrons, Prince Norodom Sihanouk, Prime Minister Hun Sen and former Prime Minister Son Sann knew how to act in their country's interest. The agreement also embraces the Khmer Rouge, led by the people responsible for killing a million Cambodians in the 1970s. Americans are rightly uncomfortable with their participation. But these gangsters, with Chinese support, fielded possibly the strongest military force; they could not safely be excluded.

It will be up to the five permanent Security Council members to see that the Khmer Rouge does not exploit the cease-fire to intimidate civilians, hijack elections or subvert the government. A useful U.S. contribution would be to publicize Washington's list of Khmer Rouge war criminals and insist on their exclusion from Cambodian political life. They warrant trial by an international tribunal for crimes against humanity.

A successful overall settlement will require a lasting cease-fire, an adequate UN presence and free elections under international supervision. The five permanent Security Council members, along with regional and UN representatives, will work on these issues later this week.

For too long, Cambodia has been a murderous sideshow, a killing field to which other countries exported their power conflicts. But peace may now, at last, be in view.

— THE NEW YORK TIMES.

Other Comment

Pour In the Western Capital

Germany is committed to $35 billion in aid to Moscow. France and Italy favor economic aid. London is leaning in that direction. Soviet analysts warn that this winter will bring not only food shortages but energy shortages. [U.S.] aides talk of humanitarian aid to get the Soviets through the winter. But borscht kitchens cannot repair the ravages of communism.

What the Soviets need is capital, technical advice on where to use it and enough aid to smooth the move to prices set not in Moscow but by supply and demand. Some capital must come from shutting down Soviet defense industries and demobilizing much of the army. Even a 50 percent reduction in defense spending over time could produce $500 billion. But the Soviets cannot wait the years that it would take to whittle the defense establishment down to size. So billions in aid — at least $25 billion a year — must come from the United States and its allies. The response of Western nations helped bring down the plotters. Some more tangible form of encouragement must follow — and soon.

— Los Angeles Times.

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Europe: From a More Perfect Union to Undirected Power

By Josef Joffe

MUNICH — A few hours into the Moscow putsch, as Europe's chanceries were preparing to cave in to the amateur plotters, George Bush took the lead by hoisting the "coups fail" banner.

Last August it was the United States that drew a line in the sand, dragging reluctant allies all the way to victory against Saddam Hussein.

But what about events closer to the European home — Yugoslavia, say, where the Serbs are no longer skirmishing but conducting a real war against the Croats? Well, the Europeans are still pondering the issue.

Just a year ago, Europe was merrily surfing along toward economic unity in a world of peace.

Germany is threatening to recognize Slovenia or Croatia, but so much recklessness does not play well in France and Britain, which fear a Teutonic power play in the Balkans.

Just a year ago Europe was merrily surfing along yet another wave of the future. Soviet power was retracting, U.S. power was turning obsolete.

Indeed, the might of nations was becoming thoroughly "civilianized," with economic clout muscling aside tanks and thermonuclear weapons.

Poised for a more perfect common market as of 1993, the European Community was eyeing imminent superpower status.

And just two months ago Foreign Minister Hans-Dietrich Genscher of Germany was presiding over an inaugural meeting of the Conference on Security and Cooperation in Europe that would act as a latter-day "Concert of Europe" and bring peace to the restless natives on the periphery.

Alas, Clio — the goddess of history — is a nasty lady.

Amid celebrations of transcendence she has reminded us that history, seemingly banished, has a habit of sneaking in through the back door. Just look at Europe, where three forgotten dramas are being enacted again.

In the East an empire is exploding once more, and though the republican revolution is entirely wholesome it is already overshadowed by the classic codas of such breakups: nationality and border strife.

Consult the encyclopedia on such friendly tribes as the Gagauz and Moldavians, the Armenians and the Azerbaijanis. And familiarize yourself with the traditional resource flows of the Soviet Union and ponder what the southern republics will do when Russia, already eyeing pieces of Kazakhstan and the Ukraine, cuts off their water supplies.

In the Southeast recall Sarajevo 1914. Serbian imperialism gave us World War I, and the '91 model is well-positioned to carve out a Greater Serbia from Yugoslavia's remains.

Neo-communism plus expansionism does not equal peace. But Europe has nothing more to offer than yet another team of mediators, complete with battalions of "observers" armed with notepads and binoculars.

In the rest of Europe the ghosts of yesteryear are reappearing all over again — albeit not clad in jackboots.

Call it power politics on cats' feet.

Scandinavians rushed their diplomats into the Baltic republics to make sure that the Germans did not get there first.

The French and the British, already wary of a "Greater Central European Co-Prosperity Sphere" centered on Berlin, cannot bring themselves to make common cause with Germany in the Balkans because they suspect the making of a "Teutonic bloc."

But, most important, what about post-putsch Russia?

The Germans have already shelled out $34 billion since 1989 to keep Mikhail Gorbachev afloat.

Much of it was strictly protection money, disbursed to speed the withdrawal of some 400,000 Soviet troops from eastern Germany.

That makes for a powerful separate interest toward Russia-U.S.S.R. that France, Britain and Italy naturally do not share with the same urgency.

The moral of this tale is the opposite of common foreign policy, let alone of a European superpower in the making.

While the demise of the Cold War has liberated ancient blood feuds in the East, it has, predictably, loosened the political bonds forged in the West.

Western Europe '91 resembles a bunch of teenagers suddenly forced to fend for themselves.

In the old days they could collectively rub up against the powerful father figure that was the United States, confident of Washington's forbearance and protection.

And there was always the Soviet Union of Leonid Brezhnev and successors, offering the opportunity for cautious side deals that delivered leverage against the United States.

But today? There is power without real purpose, aspiration without real leadership. Nor will Europe rise to the challenge. In the crunch the French will always fall back to their policy of "splendid aggravation." The British will never quite leave their favorite place on the fence. The Germans will try to please everybody while quietly cultivating their Central European garden.

And all of them will be quick to check one another's ambitions rather than coalesce in a common policy.

This leaves the United States in the not-so-enviable position of No. 1 in the world.

The writer is foreign editor and columnist of Suddeutsche Zeitung. He contributed this comment to The New York Times.

The Foot-Dragging on Eastern Europe Won't Do

By Eduardo Punset and Romana Sadurska

BRUSSELS — The Soviet Union has lost a war. Even though it was a cold war, the results are devastating: disorganization of production and distribution, demoralization of the people and bankruptcy of the social model.

But the typical postwar pattern is different this time: The victors have decided not to appear on stage. Instead, the United States and the European Community remain safely distant as they watch how the loser adjusts to the new situation.

The drawbacks of such a wait-and-see stance are already apparent. The members of the European Community, in particular, have failed to recognize that in a global economy there are no strictly national solutions. Neither Central and Eastern Europe nor the Soviet Union can manage alone the enormous task of moving away from command-style economies. Whenever adjustments are begun, fresh distortions appear, drastically complicating the job.

In recent months, a lack of historic vision and misplaced egoism led advisers to the EC governments to suggest that the countries of Central and Eastern Europe resuscitate Comecon, the old East-bloc economic grouping, rather than dismantle military production (and face the resulting unemployment); they have also been urged to slow the pace of privatization. The only thing missing in this misguided vision was an overt show of nostalgia for the days of the Berlin Wall, when there was no questioning of the established order and advisers did not have to devise new strategies to cope with constantly changing circumstances.

Consider the Community's treatment of three Central European countries. Since late last year, Czechoslovakia, Hungary and Poland have been negotiating treaties of association with the Community. These were heralded by Brussels as a reflection of a new era in European relations.

But while the accords were supposed to be "generous" to the three countries, negotiated drafts of the treaties so far fail to provide for any substantial advantages that could ease the transition to the free market.

One advantage for the three nations would be improved conditions of trade. But Brussels refuses to open up the markets in which Czechoslovakia, Hungary and Poland could best compete: agricultural products, textiles and steel. As a result, the survival of these sectors in Central Europe is threatened — all the more so since these countries' traditional market, the Soviet Union, has collapsed.

Another helpful measure would be to remove some obstacles to the free movement of workers from these nations. This would create a source of know-how, experience and capital, all of which are vital for developing small businesses in Central Europe. Yet another measure would be to provide funds to help restructure the region's economies.

None of this is charity. In return, the Community would get lower prices on some products and lower work-force costs. The 12-nation body also would contribute to boosting the purchasing power of 60 million consumers eager for Western goods.

The alternative is to let living standards in Central Europe deteriorate, risking social unrest, a decay of law and order and even the return of dictatorship. The Community could face a flood of refugees.

Now is the time for the Community to make clear its commitment to Central Europe. At the least, it should open its markets, allow in workers and help in restructuring these economies.

Better, Brussels should accept a realistic deadline for these nations' full EC membership. Such a decision would discourage any nostalgia for the old order, boost morale and set new economic goals.

It also would send a signal to the peoples of the Soviet Union and Eastern Europe that if they stay on course toward free markets and democracy, they can count on real support from the West.

As an aspiring actor in world affairs, the Community can no longer afford political myopia. And to be taken seriously, it can no longer repeat the mistakes it has made in its policy toward Central and Eastern Europe and the Soviet Union.

Eduardo Punset is president of the Polish delegation at the European Parliament, and Romana Sadurska is a lawyer based in Brussels. They contributed this view to the International Herald Tribune.

The Presidency Requires A Good Two-Party Fight

By Walter F. Mondale

MINNEAPOLIS — The next presidential election is 14 months away, but only one Democrat, Paul Tsongas, has officially hit the campaign trail.

By contrast, at this stage in the 1984 presidential race I was already well acquainted with the Holiday Inns of Iowa and New Hampshire, as were my six other competitors.

At first it appeared the 1992 campaign would merely start later than usual — a good thing, perhaps, given the complaints about the interminable nature of modern presidential races. Now, however, it seems that many of the Democratic Party's most able leaders are choosing not to enter the race at all.

There is a simple truth in politics: If you want to be president you have to run for the presidency. When many of the best leaders decline to run, the Democrats lose credibility as a national party.

Of course, there are plenty of reasons to shy away from running in 1992. Conventional wisdom says President George Bush is invincible.

And who can blame Democratic leaders for being reluctant to enter a nominating process they think is likely to weaken their candidacy in the general election?

What candidate wouldn't be wary of the bitter internal splits in the party that could increase its chances for defeat in 1992?

Running for president is a full-time job filled with risks and hardships. It is understandable that people would hesitate to submit themselves and their families to such a punishing ordeal.

As someone who at one time long ago was accused of lacking the "fire in the belly" to run for president, I can still appreciate the reasons for caution.

But running for president is also the ultimate political education. To be sure, candidates for the office are almost always veterans of campaigns at the congressional and state level. Yet a presidential campaign is something altogether different; there is nothing like it.

Many of the skills needed to govern effectively in the White House are precisely the ones that are honed in the campaign: persuasion, coalition building, the ability to organize and even physical endurance.

Candidates also develop an inner strength: the instincts and independent judgment that can make them less vulnerable to the manipulation of pollsters and political consultants. Only by putting themselves to the test on a national level can they really learn what they think about the issues.

The campaign is not just an opportunity for candidates to present their faces and their sound bites to the public. It is also about listening and learning.

Even losing is part of this testing process, and candidates will never gain the required seasoning and depth unless they actually take the risk of running.

Running for president does take a lot of one's lifetime.

The United States is a huge and diverse nation. All our recent presidents traveled and campaigned for years before they were elected to the White House. To win, any candidate must have credibility with the public as a potential president. Building that credibility takes time.

Beyond personal ambition, our leaders have a responsibility to the country. Without a vigorous national contest, and the healthy exchange of ideas that goes along with that, the nation is a lesser place.

Democrats, as the opposition party, should feel a special duty to make the case about why they would do a better job in the White House on both international and domestic issues.

More than the fate of the Democratic Party is at stake. The power of the presidency depends on the public's trust.

In a world of newly emerging democracies we should be embarrassed by our own shortage of candidates. The public is cheated — and the nation is weaker — when the two parties do not effectively compete at the presidential level. We all lose when there are fewer candidates to choose from.

The writer was vice president of the United States from 1977 to 1981; he ran for president as the Democratic Party's nominee in 1984. He contributed this comment to The New York Times.

An October Surprise? The 'Experts' Should Study the Evidence

By Manucher Ghorbanifar

PARIS — As we hope for the releases of more Western hostages held in Lebanon, I look toward to the day when America's leaders and journalists are no longer obsessed with hostage dramas, and when the wounds first suffered in 1979 can finally begin to heal. But I worry such a day will not come soon.

In the murky world of hostage negotiations, rumors, accusations and demands, one piece of disinformation — planted 11 years ago by Abol-Hassan Banisadr, the former president of Iran — refuses to die.

Mr. Banisadr claimed that conspirators from Ronald Reagan's election team and Iranian officials agreed secretly in October 1980 to delay the release of the 52 Americans held hostage in Tehran — thus sealing Jimmy Carter's defeat in the November presidential election.

In April this "October surprise" theory was resurrected by Gary Sick, a member of the National Security Council in the Carter administration. Congress is investigating the rumor.

It is no secret that I have had a hand in the release of hostages.

I have testified before Congress and the special prosecutor about my role in the Iran-contra affair: In 1985 and 1986 I served as a mediator between the Iranian government and members of Mr. Reagan's White House staff, facilitating the release of four American hostages held in Lebanon.

I have been indirectly involved in efforts to resolve the current hostage situation, as the White House press secretary, Marlin Fitzwater, mentioned on Aug. 12.

Since 1981 I have studied the "October surprise" accusations and have told anyone who would listen that the story is rubbish.

Mr. Banisadr and an Iranian arms dealer, Jamshid Hashemi (his real name is Ali Mohammed Hashemi Naini), are the rumor's main sources.

Both are bitter Iranian exiles on a vendetta aimed at destroying the Republican administration and the reputations of Ronald Reagan and the late William Casey. (For the record I have never had a political alignment or financial relationship with either Mr. Banisadr or Mr. Hashemi.)

Mr. Banisadr holds the Reagan administration responsible for his ouster as president of Iran in July 1981.

In his view Mr. Reagan failed to aid him in his battle against the Ayatollah Ruhollah Khomeini.

As for Jamshid Hashemi, he is convinced that the CIA and Mossad, the Israeli intelligence agency, murdered his brother Cyrus.

In 1987 the Iranian government felt so deceived by Mr. Hashemi in some Chinese missile purchases that it has since refused any dealings with him.

Two of the main players in the supposed conspiracy of 1980 are dead: William Casey and Cyrus Hashemi. But two other Iranian brothers, Mehdi and Hassan Karrubi, said to have been the secret emissaries of Iran at meetings in Madrid or Paris, are quite alive, and it is preposterous to assert that either of them could have been involved in any grand October scheme.

On July 28 of this year Ayatollah Mehdi Karrubi, who is now speaker of the Iranian parliament, told the Islamic Republic News Agency in Iran that he had never visited Spain or France. Until he went to Syria and Lebanon in 1982 the Ayatollah Karrubi had never set foot out of Iran.

Also, on June 10, Behzad Nabavi, who headed the Iranian delegation to Algeria that negotiated the release of the hostages with the Carter administration, spoke to Iran's news agency and denied the "October surprise" story in its entirety.

He specifically said that Mehdi Karrubi had never played any role in hostage negotiations in 1980.

In 1980 Ayatollah Karrubi held an extremely low position with the Shiite clergy; he did not move up in the hierarchy until 1984. He never would have been entrusted with the kind of delicate mission Mr. Sick wants us to believe transpired.

Furthermore, it was his fanatical anti-Western, anti-American beliefs that got him a top-ranking, insider's seat with the hard-liners.

As for Hassan Karrubi, he was a clerk for Ayatollah Khomeini from 1975 to 1977, when the ayatollah was in exile; he was a close friend of the ayatollah's son, Ahmad.

But in 1977 he switched his support to other members of the Shiite clergy. He reappeared in Tehran a few months before the 1979 revolution but fell out of favor with the Khomeini people.

In 1985, in cahoots with Jamshid Hashemi, he reportedly got involved in some dubious relations with British agents and is now serving a seven-year jail term in Tehran.

The "October surprise" theorists ignore all this.

Instead they seize on the fact that a very small number of military spare parts were shipped to Iran from Israel in the early 1980s and claim it is evidence of a Casey conspiracy.

These "experts" seem unaware that Israel sent these arms, on its own, to further its own regional interests and policies, and that Iran did not even know where the shipments were coming from.

Moreover, if a secret deal had been struck in 1980, why all the confusion and difficulty in the Iran-contra hostage deals in 1985 and 1986? If the Ayatollah Khomeini and Mr. Casey were able to cut a major secret deal and stand by it, who would have needed my services five years later?

Few people possess more information than I do about the hostages in the Middle East. Despite attempts to portray my actions as self-serving and my words as misleading, the true history of hostage negotiations cannot be written until I have had my say.

Former and current government officials at the highest levels in Europe and Iran have told me that, in late summer or early fall of 1980, messages to the Iranian government from the Reagan campaign team were delivered in Paris to Sadegh Ghotbzadeh, the foreign minister of Iran who was executed in September 1982.

These messages urged the Iranian government to resolve the hostage crisis before the elections of 1980.

Some went further and threatened the Iranian government that, should Mr. Reagan come to power, no negotiations would take place.

The Reagan messages clearly hinted at a forceful approach to the problem. These messages provided a last-minute, final push toward the peaceful resolution of that hostage crisis.

Whoever clings to the belief that conspiracy is the main force that drives world events has adopted the precepts of George Orwell's "1984": Truth is a lie and a lie is the truth.

The writer was a middleman in talks in 1985 and 1986 on arms sales to Iran by the Reagan administration. He contributed this to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Unarmed in Dijon

PARIS — All the newspaper editors in Dijon were summoned Thursday [Aug. 27] before the magistrates for divulging secrets affecting the defence of the country. There is great anxiety to induce the War Office to station the 8th Army at Dijon and the local press stated that the artillery batteries that ought to be in the town had been sent to Héricourt, adding that in the event of a sudden attack there was not a single cannon in the place to defend it. The oddest circumstance about the transaction is that the information thus divulged is to be found in any military handbook.

1916: Bucarest an Ally

PARIS — Roumania has entered the war on the side of the Allies by declaring war on Austria-Hungary, and Germany has retaliated by breaking off relations with Bucarest and ranging herself with the Dual Monarchy against Roumania. The eventful news of Roumania's intervention, which constitutes a crushing blow at the coalition of the Central Empires, reached Paris yesterday morning [Aug. 28] in a telegram from Geneva, which stated that the decision had been come to at a Crown Council held at Bucarest three days ago.

1941: Budget Crunching

WASHINGTON — [From our New York edition:] The Senate Finance committee increased the record-breaking tax bill by another 209,100,000 dollars late today [Aug. 28] and called for drastic reduction of non-defense governmental spending. With the adoption of four additional levies, committee experts estimated the revenue measure would yield 3,688,500,000 dollars annually. The Senate Finance Committee rejected, by a vote of 15 to 2, a request that it incorporate a new old-age pension schedule — a minimum of 30 dollars a month for all unemployed persons over sixty — in the pending tax bill.

OPINION

All Hail Bravado, Father Of the Second Revolution

By Jim Hoagland

WASHINGTON — The death of communism in the streets of Moscow is the work of rough and ready heroes, not the product of impersonal, inevitable forces of "History" or technology. A real second Russian revolution has swept away the ersatz model of revolution run by Mikhail Gorbachev.

This revolution was created by a few stubborn misfits who spent their time dreaming and pestering others with their visions instead of reading a Miss Manners' Guide to Tasteful Upheaval or heeding the calls for caution and compromise sounded by President George Bush and virtually every other Western leader.

The boldness of Mr. Yeltsin and Mr. Landsbergis, however unsettling, is what these times demand.

When the collapse of the 20th century's most extended totalitarian system came, Boris Yeltsin, Vytautas Landsbergis and a few others were ready, willing and able to be giant-killers and to pick up the pieces while others looked on slackjawed.

Even as they change history in ways that Mr. Gorbachev would not countenance, Yeltsin & Co. are still being lectured in the West for their lack of manners and for their unseemly, inconvenient haste. What's the rush, Mr. Bush says of Baltic independence as European recognition proliferates.

"Worrisome," The New York Times editorializes *[opposite page]* about Mr. Yeltsin's suspension of the Communist Party and its newspaper Pravda. Worst of all, the editorial notes, "in front of a rowdy Russian parliament and an anxious world, he bulldozed a shaken Mr. Gorbachev in the autocratic style of old apparatchiks."

Imagine that: Mr. Yeltsin bulldozing the Man of the Decade, the architect of global peace! Watching the same scene, I had the sense of a master political dramatist grabbing history and power in his rough-hewn hands before the democratically elected Russian legislature and before the eyes of a world television audience. I guess I missed the "old" apparatchiks doing this in public view so often in the past.

The truth is that men like Mr. Yeltsin and Mr. Landsbergis have been and continue to be inconvenient for those in the West who have a heavy investment in Mr. Gorbachev and in the gradual, controlled exit from the crisis of communism that he promised. Those who repeatedly described Mr. Gorbachev's reform communism as a "revolution" are finding it hard to adjust to the real thing and the changes — many of them admittedly dangerous — genuine revolutions bring.

The extinguishing of political ideology as the organizing force in international relations makes the kind of bold political leadership Mr. Yeltsin has demonstrated (and that Helmut Kohl showed in 1990 in rushing to the unification of Germany) the most important characteristic of the post-Cold War world. The death of communism extinguishes the sun of a political solar system: planets held in check by the Cold War division of Europe now hurtle out of their familiar orbits.

Mr. Yeltsin had the good sense, or good luck, not to know that history had ended, or that America's power would now determine all major global events. He was blissfully unaware of the advice of some leading Western Kremlinologists during the troglodyte coup directed at Mr. Gorbachev that open resistance was "unnecessarily provocative," in the words of a leading British Soviet expert.

"Provocative," "stubborn," "short-sighted" are words also repeatedly applied to Mr. Landsbergis, the cranky, prickly president of the Supreme Council of Lithuania who infuriated people favorable to his cause by demanding 150 percent support. Mr. Landsbergis ignored their caviling and fashioned a state structure ready to receive international recognition when Western Europe suddenly offered it this week.

The vacuum spreading across the Euro-Asian landmass, which Moscow ruled for half a century in predictable (and ghastly) fashion, forces quick and agile political responses now.

The collapse of the internal Soviet empire and of both brands of communism, hard-line and reform, leaves most European countries without a clear East-West role. Their sudden recognitions of Lithuania, Latvia and Estonia are an effort to fill that vacuum, as well as evidence of feelings of guilt by the Germans, French and others over their previous neglect of the Baltics in the name of protecting the Gorbachev revolution.

The boldness of Mr. Yeltsin and Mr. Landsbergis, however unsettling, turns out to be what these unpredictable times demand. Mr. Bush and Mr. Gorbachev claimed they would set the tone for the 1990s as they opened their now-obsolete Moscow summit meeting a month ago. They treated history with hubris, seeing it as the controllable product of the thoughts and meetings of leaders and of process. The people of Moscow and Leningrad have shown them otherwise.

Mr. Bush and Mr. Gorbachev were right to fear that rapid change in Moscow would unleash hard-to-control forces of nationalism, religion and local ambitions. They were wrong to think that compromise and caution could somehow contain those forces as the center collapsed under Mr. Gorbachev's feet.

Mr. Yeltsin may not survive his ride on the tiger either. But he deserves better than sniping and hesitation from the West as he climbs aboard.

The Washington Post.

A Great Plains Hymn of Political Passion

By George F. Will

WASHINGTON — As summer ends, take to a hammock with Charles Bailey's new novel of the Great Plains, "The Land Was Ours." You will rise refreshed.

In America's tradition of regional fiction, Willa Cather's Nebraska novels have an enviable niche. Now Mr. Bailey enriches the genre with the story of 65 years of the life of Dan Woods, a South Dakota journalist.

Ms. Cather found 19th-century Nebraska hard and "bare as a piece of sheet iron." The prodigies of American agriculture have made the Plains so fertile we forget how recently they "seemed to overwhelm the little beginnings of human society that struggled in its somber wastes."

Woods' parents move to South Dakota, and to town, when overwhelmed by Nebraska's droughts, blizzards, hail and, finally, grasshoppers that came as a white cloud shimmering like snow in the sunlight, a moving carpet that in an hour stripped a farm, even chewing leather harnesses.

MEANWHILE

Mr. Bailey takes Woods from boyhood to death in 1938, through the nation's great conflict between country and city, when politics was a cockpit of controversy about America's changing character. The writer weaves in historic figures and their words (William Jennings Bryan, Teddy Roosevelt, Mark Hanna, Sam Rayburn, the journalist William Allen White, and Mary Lease, the agrarian firebrand whose rally cry was, "You farmers need to raise less corn — and more hell!")

But Mr. Bailey is telling America's story from the bottom up, a story that turns on the agrarian revolt of the 1890s. Then the nation, so recently divided between North and South, suffered strife between rural Americans wanting free trade and cheap money and the industrial interests wanting tariffs and "sound money."

The political passions of the 1990s seem synthetic and only shallowly felt when compared with those of the 1890s. At that time there was the compounded bitterness that politics acquires when material and moral anxieties coincide.

The West needed capital and railroads. The East controlled both. Declining farm prices meant that an increased number of bushels of wheat were required to repay loans to "soft-handed, smooth-talking" Easterners. And there was an aching sense of moral, as well as material, loss.

It has been said that America was born claiming perfection and promising progress. It was born on the farm and moved to town, leaving behind the Jeffersonian vision.

The Louisiana Purchase and restrictions on expansion of slavery were supposed to guarantee a vast inland empire of small farmers perpetually renewing the young Republic's yeoman virtues of self-sufficiency. But the nature of 19th-century America — huge tracts of land to be cultivated, a labor shortage — spurred the mechanization of agriculture. This increased production, price fluctuations, and debts.

Farmers saw their economic, political and social standing decline. Their independence and self-sufficiency were, by other names, loneliness and vulnerability forced upon them by bad roads and bad communications and cycles of overproduction, declining prices, failure and foreclosure.

Without belaboring the point, Mr. Bailey makes it: Big, activist government was not only, or initially, a response to urban industrialism. Forty years before the New Deal, rural populism was America's first powerful political movement to insist that the federal government has broad ameliorative responsibilities. Government responded: rural free delivery, rural electrification, paved roads, regulation of railroads and grain elevators, and the then-radical policy of commodity price parity — an economic entitlement, a harbinger of the welfare state.

Mr. Bailey shows how close we still are to the time when rural life had a crushing rawness. One day in May 1934, a dust storm stretching from Texas to Canada and soaring 15,000 feet blew east. Dust settled on FDR's desk and on ships hundreds of miles out on the Atlantic. By December, two of every five South Dakotans were on relief — the nation's highest percentage. In July 1935, the grasshoppers returned.

Mr. Bailey's book, a loving hymn to those who surmounted such hardships, brings back to life an era when there were political passions commensurate with America's problems and purposes. We cannot be reminded too often, or more pleasantly than Mr. Bailey does it, how much labor went into the making of the country in which this Monday, Labor Day, we take our ease.

Washington Post Writers Group

Between Glass Ceiling and Cement Floor

By Anna Quindlen

NEW YORK — Women prospered cute in the 1980s. Every time you turned around, there was some cute story about a woman high school quarterback, a woman sanitation worker or a woman hard hat.

Eventually, after the sideshows were over, real life went on. Women were admitted where their talents could take them, and their talents took them far.

But this makes equal opportunity sound simple, and it never has been. There emerged a plateau for women on their way up, between the push of progress and the peak of the male hierarchy.

This week the Feminist Majority Foundation released a report saying that fewer than 3 percent of the corporate officers at the country's biggest companies are female. There seems to be an invisible barrier to the ascension of women, a barrier we call the glass ceiling.

There are also cement floors.

Until recently Teresa Cox was a baseball umpire and, by most accounts, a very good one. Women umpires were mondo cute in the '80s, but they refused to be novelty acts. Pam Postema, the best known, once said of players' taunts, "If you're black, they key on that; if you're fat, they say you're too fat to see the play. And if they insult you personally, and keep it up, that constitutes abuse, and you throw them out."

Nice matter-of-fact attitude. It didn't help Ms. Postema; she was let go in 1989.

During the 1980s, four women umpired in the minor leagues. None ever made it to the majors. Ms. Cox, the latest to be thrown out, will argue the call. She is suing, saying that the good old boys who run umpiring have decided women don't belong. I can't tell you what the good old boys say, because their good old representative refused to talk. But Harry Wendelstadt, the veteran umpire who trained Teresa Cox, calls her "the best female candidate I've ever had."

He says he's trained 28 women and maybe 5,000 men, and that there just haven't been enough women in the pipeline leading to the major leagues. That's what we hear about the executive suite, too, that it's a pipeline problem.

"I don't think there's bias," Mr. Wendelstadt says. "I have no doubt that someday there'll be a woman umpire in the major leagues." Mr. Wendelstadt sounds O.K., and then he misses a high hanging curve ball; he adds, "I don't know why a young lady would want this job."

Teresa Cox says that when she first started calling strikes, she was told that her voice was too high, and that when she used a lower register, she was criticized for sounding phony. She says she was told the uniform looked awkward on women; I've seen guys wearing it who look as if they're in the third trimester. She says that a league supervisor wondered aloud whether she was "queer."

Mr. Wendelstadt says it must be that she was not quite good enough, and in fact we have all heard of cases in which women cried sexism when the problem was skill. I always think that's like faking sick with the flu: you can get away with it because there is so much of the real thing going around.

The glass ceiling gets more attention, but it's good to remember the cement floor, to remember that there are still places that might as well have signs: Girls Keep Out! It serves to remind you of the bad old days, and of the fact that there's nothing cute about trying to be treated fairly. Men's reservations are couched more subtly now, but they are there. What a long, strange trip it has been.

The New York Times.

LETTERS TO THE EDITOR

Build the Right Market

We have been living through one of the most important times of this century. Now we will hear our politicians and economists again telling the Russians, Ukrainians and others that if they adopt the free market all will go well. But there is another sign on the wall: Brooklyn, where one minority is fighting another in a bankrupt city.

Even in Switzerland, where people still prefer to ignore poverty, recent studies have shown a surprisingly large percentage of poor people, many of them young. Our version of the free market society still operates on the wrong hypothesis of practically unlimited resources; it is leaving large parts of our population out in the cold.

Is this the market society we want the people in the formerly communist countries to adopt? Are we able to understand the sign on the wall?

REINHARD BUDDE.
Begnins, Switzerland.

Only an economic turnaround can ensure the irreversibility of the Soviet democratic march. At the same time, the integration of the Soviet economy into the global system will benefit everyone. Even a truncated Soviet Union in the form of a loose confederation will remain an essential factor in maintaining world order. Thus there are grounds to reopen the question of Western financial aid.

Financing Soviet projects to develop commercial banking, transport, telecommunications and marketing cannot backfire, because these are essential parts of the transition from a state-controlled economy to a market-driven one. Likewise, projects in food processing and pharmaceuticals must be given priority; the Soviet people are badly short of food and medicine. Even India has rushed food and medical supplies to them.

A joint study by the OECD, World Bank, International Monetary Fund and the European Bank for Reconstruction and Development concludes, among other things, that immediate foreign financing of Soviet projects to improve nuclear power plants, oil extraction capacities and gas pipelines could bring quick payoffs.

M. VASUDEVAN.
Cannes.

I have fought against communism for years. But I think Mr. Yeltsin erred in suppressing Pravda and the Communist Party. That practically nobody wanted to belong to the party and that nobody read Pravda is another matter. What is at stake here is the principle of free thinking and a free press.

R. GRILLO.
Paris.

I take exception to the cartoon Aug. 23 showing a giant Boris Yeltsin welcoming "back to power" a tiny Mikhail Gorbachev. Mr. Yeltsin's heroic achievements are not to be minimized. But most important is this: What the hundreds of thousands of Russian people turned out to defend in Moscow — and later to acclaim — was certainly Mr. Gorbachev's perestroika and glasnost, as well as his words, deeds, vision and courage. Mr. Gorbachev's creation is one of the great turning points of this century.

RUSSELL SMITH.
Munich.

Blame Salomon Alone

The Washington Post editorial headlined "The Salomon Message" *(Aug. 20)* implies that the debacle at Salomon Brothers is a direct result of deregulation. This is not the case. Regulation of the government securities market has not changed appreciably in recent years.

The unfortunate conclusion of the editorial is that the incident should be the death knell for deregulation of America's financial markets. The current level of regulation in the markets makes the U.S. participants uncompetitive in the world. Without controlled deregulation the United States will be unable to compete with its foreign competitors.

The actions of a few in a market with well-defined rules should not jeopardize the future of the world's largest financial market.

CHRISTOPHER FORBES.
New York.

A Fragile Majority

The opinion column "Gulf War: Results Aren't All In, but the Outcome Looks Dark" *(Aug. 3)* states that "the situation of the Kurds and of Iraq's Shiite minority remains fragile." In Iraq, it is not the Shiites, but Saddam Hussein's own Sunni sect that is in the minority.

DEREK FRIED.
Pully, Switzerland.

It is reassuring that Israel, albeit conditionally, and the Arabs have accepted the U.S. formula for a Middle East peace conference. But for a lasting peace to be achieved, the Palestinian delegation to the conference must be made up of legitimate representatives, selected by the Palestinians themselves. The Palestinians consider that the PLO and its chairman, Yasser Arafat, represent them. Israel and the United States condemn the PLO as a terrorist organization. But how does what the PLO has done differ from what Menachem Begin and Yitzhak Shamir and others did before the establishment of the state of Israel?

JEAN de la CARRIERE.
Geneva.

Plants have fed the world and cured its ills since life began.

Now we're destroying their principal habitat at the rate of 50 acres every minute.

We live on this planet by courtesy of the earth's plant-life. Plants protect soils from erosion, regulate the atmosphere, maintain water supplies and prevent deserts forming. Without plants man could not survive.

Yet, we're destroying the tropical rain forests they grow in at the rate of 50 acres a minute – making a crisis for ourselves and a bigger one for our children.

What can be done about it? A practical international plant conservation programme is now well under way all around the world. It is a plan for survival which you can help make a reality by joining the World Wildlife Fund.

We need your voice and financial support. So get in touch with your local WWF office, or send your contribution direct to the World Wildlife Fund at: WWF International, Membership Secretary, World Conservation Centre, 1196 Gland, Switzerland.

Save the plants that save us.

WWF FOR WORLD CONSERVATION

Briefcase courtesy Lancel, Paris

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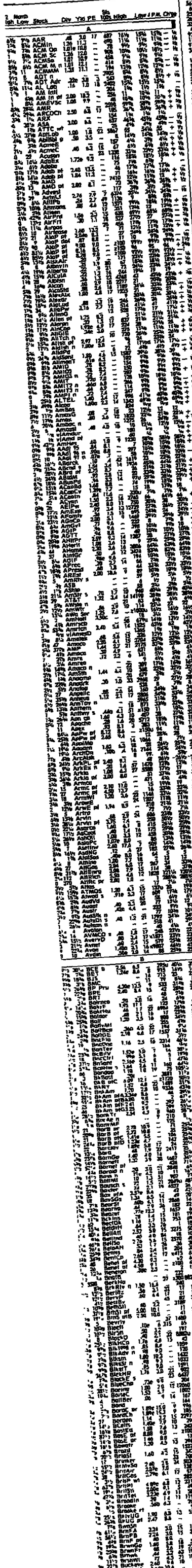
NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*



(Continued on page 13)

AMEX Highs-Lows

NEW HIGHS 28

AdvMed pf, AlaskaBn n, AmTr-ahe pc, AmTr-bmy pc, AmTr-bmy pf, AmTr-ma pf, AmTr-mb pf, AmTr-mc pf, Astrotech pf, Bancorp n, Bioshonn, BolarPh, Bonanzr n, CanOcn g, Digicon n, FlukaJoh, GenovDrg, L&B Ind pf, PacUSUtl, PGE 12pfE, PrilCp s, RossTech, Medchem, SCE 11pfI, TolEd 10pf, Weitco, Seaport pf

NEW LOWS 4

AmCapCp pf, CKR Co, RhySou, Redlaw rt, StarCap s, WestairHld

* For investment information read THE MONEY REPORT every Saturday in the IHT *

Welcome to Asiana

International Herald Tribune
BUSINESS/FINANCE
** THURSDAY, AUGUST 29, 1991

FLY ASIANA TO SEOUL
TAIPEI TOKYO HONG KONG BANGKOK SINGAPORE

INTERNATIONAL MANAGER

U.S. Business Schools Take International View

By Claudia H. Deutsch
New York Times Service

NEW YORK — Starting this month, 135 business students at the University of Pennsylvania's Wharton School — about one-sixth of the entering MBA class — will become guinea pigs for a new way of teaching global business skills. They will forgo all international courses. Instead, their marketing professor will discuss the pros and cons of having one brand name worldwide.

Their operations course will explore foreign distribution systems. In finance, they will learn to plan for currency fluctuations. The program will culminate in a four-week trip abroad.

"There are no purely domestic or purely international decisions anymore," said David J. Reibstein, a Wharton vice dean, who expects the experimental curriculum to become de rigueur in a few years. "Even a brand manager who never leaves Cincinnati deals with global issues these days."

> 'Even a manager who never leaves Cincinnati deals with global issues these days.'

Throughout the 1980s, business schools scurried to devise international courses that would bring dynamite marketers, accountants and such up to speed on the intricacies of a global environment.

Now that the basic consciousness-raising is done, deans are asking their faculties to weave global material into core courses, despite objections by many professors that tinkering with their courses is an assault on their intellectual autonomy.

Examples of the new strategy abound. The University of Maryland's business school, which has for several years required professors to make 25 percent of their core course material international, recently raised that percentage to half.

At the Columbia Business School, Alberto Giovannini, chairman of the international program, is developing international case studies, reviewing class outlines and trying to insure that core MBA courses have been internationalized. He is even meddling in the sacrosanct area of faculty hiring, persuading the dean of the school, Meyer Feldberg, to make international expertise a factor in hiring decisions.

THE UNIVERSITY OF PITTSBURGH'S business school has sent many professors to do teaching stints in Eastern Europe, with the expectation that they will introduce international ideas into their courses when they return.

H.J. Zoffer, the school's dean, predicts that soon enough professors will have been "internationalized" to enable the school to abolish its required course in international business.

Corporate trainers are reaching similar conclusions. Digital Equipment Corp. is deliberately eschewing international business courses in the comprehensive training program that it is now designing. "It makes more sense to incorporate case studies of multinational companies, and to ask our foreign managers to make presentations," said John L. Alexanderson, vice president of sales training.

Similarly, General Electric Co. has canceled the two-week international management course it had offered since the early 1980s. "We would rather weave the idea of cultural diversity through all of our courses," said Stephen R. Mercer, program manager for executive education at the GE Management Development Institute in Ossining, New York.

That desire is beginning to affect sales of commercial training programs, too. Louis J. DeGeorge Jr., president of International Training Corp., a North Canton, Ohio, company that sells training software, reports a slow buildup of requests for training programs that have an international flavor.

Chad Cook, manager of training for Rubbermaid Inc., has been combing Berlitz and other schools for courses that middle managers might want. And he is encouraging vice presidents to visit other countries.

"We used to rely on alliances with foreign companies to supply international knowledge," Mr. Cook said. "Now we want to understand foreign cultures ourselves."

Computer Mergers: Hard to Stay On-Line

By Glenn Rifkin
New York Times Service

NEW YORK — Almost every month brings news of a new computer industry match-up: AT&T and NCR, Computer Associates and On-Line Software, Borland International and Ashton-Tate.

As profit margins shrivel and the costs of developing new products multiply, merger momentum is bound to continue.

But the record of other high-technology deals, like the one that formed Dun & Bradstreet Software Holdings Inc. in 1989, might give these proud new partners pause.

The merger of Management Science America Inc. and McCormack & Dodge, a Dun & Bradstreet Corp. subsidiary, was hardly made in heaven. The two companies had been such bitter rivals in the mainframe-software business that their animosity was legend.

The McCormack & Dodge chairman, Frank H. Dodge, had a goofy red-cheeked mask of his MSA counterpart, John P. Imlay Jr., which he wore at sales meetings while the sales representatives screamed "kill, kill, kill."

Several times, MSA sales representatives tracked down prospective customers on their way to meetings with M&D sales representatives, took them out for meals and then drove them around for hours professing to be lost.

"We simply hated each other's guts," said Dean F. Redfern, a former M&D executive.

But on Nov. 20, 1989, the unthinkable happened: Dun & Bradstreet acquired MSA for $390 million and merged the two software makers into a single entity.

America's Software Leaders

Based on software sales and maintenance fees but not consulting fees. The worldwide market in 1990 totaled $33.5 billion.

The biggest American software companies	1990 revenues, in millions	Market share
Computer Associates	$1,310	3.9%
Microsoft	1,285	3.8
Oracle	646	1.9
Lotus Development	644	1.9
Wordperfect	452	1.3
Dun and Bradstreet Software	425	1.3
Ask Computer Systems	264	0.8
Autodesk	238	0.7
Ashton-Tate	227	0.7
Pansophic	214	0.6

Source: International Data Corporation

The New York Times

When Mr. Imlay went before his employees to tell them, a voice called from the audience, "Who do we hate now?"

Now, as Dun & Bradstreet Software, the merged companies have to aim at different rivals while enduring internal upheavals. Some employees have been laid off while others received lucrative payoffs, one of the principals angrily departed, and many customers are wondering how well the new company will maintain and update their installed software.

The stakes are high. Dun & Bradstreet is now the sixth-largest U.S. software maker, pursuing a chunk of what International Data Corp. of Framingham, Massachusetts, expects to be a $250 billion global industry by 1994.

To Robert E. Weissman, president and chief operating officer of Dun & Bradstreet Corp., the merger is already a success.

"This one has not been seamless, but it's better than 99.7 percent of all the deals we've made," he said. Dun & Bradstreet Software is now a $500 million giant, profitable in its first year, the company says.

But history offers Dun & Bradstreet Software scant encouragement. In the early 1970s, Xerox Corp. bought a hot computer company called Scientific Data Systems for more than $1 billion and effectively killed it.

More recent match-ups, like the one between Sperry and Burroughs to form Unisys, or International Business Machines Corp.'s acquisition of Rolm, a leading telecommunications company, have produced dismal results.

The difficulty of high-technology mergers stems from the rapid changes in technology itself. Merging companies tend to be competitors who often spend more time combining proprietary product lines than planning innovations.

Software companies, especially, have strong, distinctive cultures, with dominant leaders who have unique styles, said George Colony, president of Forrester Research in Cambridge, Massachusetts. "People within the company tend to grab onto that style, and when you try to slam that together with the culture of another software maker, it generally flops," he said.

Analysts say it did make sense for MSA and M&D to merge. Their combined size could make it easier to develop new products for networks of desktop computers before mainframe computer software stagnates. "The merger was abso-

See MERGE, Page 10

U.S. Recession Continued for A Third Quarter

By Lawrence Malkin
International Herald Tribune

NEW YORK — The Commerce Department said Wednesday that the U.S. recession continued into the spring, but its downward statistical revision made little difference to most analysts' bottom-line forecast: a very slow recovery.

The shift from plus to minus, although small, was enough to roil the currency markets and encourage stock and bond buyers. The Dow Jones industrial average rose 29.07 points to a record high close of 3,055.23.

Originally the government had reported the gross national product rose at a sluggish rate of 0.4 percent in the second quarter, but as often happens this figure was revised Wednesday to show a decline of 0.1 percent, contrary to the forecasts of most economists, who had expected a revision upward.

The change produced a third successive quarter of declining output, following falls at rates of 2.8 percent in the first quarter and 1.6 percent in the fourth quarter of 1990. But some of the factors dragging down the April-June quarter, such as post-Gulf war restocking of imported oil, were special and unconnected with the economy's fundamental trajectory.

The revision amounted to a switch of 0.5 percent in output — $20 billion on an annual basis in the $4 trillion U.S. economy, or only $5 billion on a quarterly basis.

"I call that statistical noise and I'm not changing my forecast," said Mickey Levy, chief economist of CRT Government Securities. He predicted growth would resume during the current quarter at a rate of 2.5 percent to 3 percent, which is the latest consensus forecast reported by Blue Chip Economic Indicators, with some doubt about the strength of the follow-through in the year's final quarter.

The dollar dropped half a pfennig in Europe on the news and continued to drift lower in New York to close at 1.7385 Deutsche marks, down from 1.7500 DM on Tuesday.

Treasury bills and notes firmed, and even long-term bonds shared in the rally despite the fact that the GNP figures also included an upward revision in inflation to a 4.2 percent rate from 3.9 percent.

The economic news helped the Treasury sell five-year notes at a yield of 7.37 percent. The issue was oversubscribed almost four times, a respectable demand indicating the market was unaffected by the Salomon Brothers scandal.

The bond market led stocks higher.

In assessing the shift in the GNP, different economists focused on different factors.

Steven Roach of Morgan Stanley pointed to a revision showing that businesses reduced inventories by $6.5 billion more than previously estimated. The faster destocking, he said, could provide the springboard for a sharper upturn in the economy later in the year.

But much of this inventory change was traced by Robert Chandros of Lloyds Bank to the auto industry clearing stocks at the end of the model year and producing for the fall. "A lot of the third-quarter performance will depend on how well cars sell, and that depends on prices and rebate policies," he said.

Gordon Richards of the National Association of Manufacturers focused on another one-time development, the rebuilding of imported stocks by the oil industry after the Gulf war, which weighs as a negative on the GNP. Final sales, which factor out inventory shifts, showed a 0.2 percent improvement.

Another negative was consumer spending, which was $5.1 billion less than the original estimate. Peter Greenbaum, economist at Smith Barney, said that, "Despite two negative quarters, it doesn't seem as if there is a lot of pent-up demand out there. It doesn't look like the consumer is going to play a major role in the recovery."

Japan to Brokers: Don't Deal With Mob

Compiled by Our Staff From Dispatches

TOKYO — Shaken by a recent series of scandals surrounding links between securities houses and organized crime, Japanese authorities on Wednesday ordered banks and securities firms to stop dealing with so-called *yakuza* gangs.

Banks and brokerages said it might be difficult to comply with the request, however.

"If the current situation persists," the National Police Agency said in a letter to the Japanese bankers and securities dealers associations, "the banking and securities industries will inadvertently help yakuza raise funds for anti-social activities and launder money earned from illegal activities."

The Finance Ministry, at the request of the police agency, also asked banks and brokerages "to refrain from doing business with gangsters," Masaaki Tsuchida, director general of the ministry's banking bureau, told a special parliamentary committee.

The lower-house committee began an inquiry on Wednesday into scandals at top Japanese banks and securities houses, including revelations that affiliates of Nomura Securities Co. and Nikko Securities Co. lent money to and bought spurious memberships in a golf club run by Japan's second-largest crime syndicate, Inagawa-Kai.

The subsequent scandal prompted senior executives of both companies to resign, including the president of Nikko and the president and chairman of Nomura.

Nomura is also under investigation for allegations it artificially boosted the share price of a railway company, Tokyu Corp., in late 1989 after a boss of the Inagawa-Kai syndicate cornered Tokyu shares.

Nomura's ex-chairman, Setsuya Tabuchi, is expected to face harsh questioning on the company's ties to crime-syndicate members when he testifies before the panel on Thursday. The former Nikko president also is scheduled to testify.

Several banks have also been indirectly linked to dubious deals with gangsters.

The police agency letter noted the recent scandals and called on the financial sector to ban transactions suspected of helping criminal fund-raising activities. It also urged banks and securities firms to set up a watchdog body to exchange information in cooperation with the police.

Gangsters have long been a familiar part of the Japanese social landscape, and analysts say they have tacit license to operate as long as they do not stray from their traditional areas of drugs, prostitution and protection.

But even before the most recent scandals broke, police had grown increasingly concerned about organized crime's push into legitimate financial circles.

Banking and securities industry officials said that curbing business with gangsters would not be easy.

"It may be difficult to determine if a specific individual is a gangster, and there is also the question of whether refusing to do business would violate individual human rights," an official at the Japan Securities Dealers Association said.

An official of the Federation of Bankers Associations of Japan said: "Basically, banks' business is to serve customers and to a certain extent they have an obligation to do business." *(Reuters, AFP)*

Officials of NEC Unit Are Charged Over Sales of Missile Parts to Iran

Agence France-Presse

TOKYO — Japanese police arrested four executives of an aerospace subsidiary of NEC Corp. on Wednesday on charges of smuggling missile parts to Iran.

The arrests followed police raids on Japan Aviation Electronics Industry Ltd. in early July in response to complaints filed by the International Trade and Industry Ministry, which suspected the company of violating a ban on Japanese arms sales abroad. Japan Aviation is 50.3 percent owned by the computer manufacturer NEC.

The raids slashed Japan Aviation's market value by 20 percent in July, its share price falling from 1,050 yen ($7.67) to 850 yen in a day. Wednesday's news of the arrests drove the price down to 730 yen.

The company is charged with bringing missile parts to Japan for repair in 1985 through Hong Kong and Singapore companies and returning them to Iran during the Iran-Iraq war. Arrested were Sachio Kaito, 63, who resigned as president last month; Keiichi Fukuisumi, 64; Sumihari Fukunaga, 58, and Yoki Takahashi, 52.

UPI Seeks Protection From Creditors Again

Compiled by Our Staff From Dispatches

NEW YORK — United Press International, the long-struggling 84-year-old news agency, said Wednesday that it would enter Chapter 11 bankruptcy protection for the second time in an effort to resolve its debt problems.

UPI executives said business would continue as usual while they negotiated to sell the company or otherwise reorganize.

UPI said it had $22 million in assets and $65 million in liabilities, with about 4,000 creditors. It said it was forced to enter Chapter 11 in part because creditors who are still owed money from UPI's 1985 bankruptcy filing intend to demand payment of $2 million or more.

Under Chapter 11, a company can suspend payment of its debts while it tries to get back on a sound financial footing.

Last year, UPI's 350 unionized employees accepted a 35 percent pay cut after the company threatened to enter Chapter 7 liquidation proceedings. Full pay has not yet been restored.

Executives have predicted the sale of the company several times, and Pieter VanBennekom, UPI's chief executive, repeated Wednesday that potential buyers were interested in the news service, a unit of Infotechnology Inc., which is itself in Chapter 11. About half of UPI's debt is owed to Infotechnology or associated companies.

UPI's staff of about 450 full-time and 2,500 part-time employees still gathers news used by about 3,000 newspapers and broadcast stations worldwide. *(Reuters, NYT)*

CURRENCY RATES

Cross Rates

Aug. 28

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.981	3.314	1.1263	0.3319	0.151 *	—	5.477 *	1.293	1.435 *	1.7215	1.81 *
Brussels	36.065	60.535	20.562	6.0625	2.7587 *	18.256	—	23.645	0.2636	31.4125	33.07 *
Frankfurt	1.7573	2.944	—	0.2948	0.1342 *	0.8879	4.864 *	1.1582	1.2825 *	1.5392	1.609 *
London (a)	1.6885	—	2.9413	9.9783	2,192.50	3.3188	60.485	2.5628	230.725	1.9265	182.91
Madrid	108.233	182.965	62.17	18.325	8.337 *	55.199	3.0235	71.486	79.471 *	95.726	—
Milan	1,310.25	2,195.65	745.55	219.79	—	662.85	36.250	857.29	9.558	1,148.50	11.998
New York (b)	—	1.6908 a	1.7385	5.91	1,297.09	1.9583	35.755	1.5167	136.55	1.1407	108.20
Paris	5.9645	9.9895	3.3027	—	0.455 *	3.0121	0.165	3.9065	4.3529 *	5.2245	5.458 *
Tokyo	137.15	229.73	78.80	22.99	0.1046	69.28	3.7439	88.82	—	120.15	1.2538
Toronto	1.1403	1.9253	0.6554	0.1932	0.879 *	0.582	3.186 *	0.7586	0.8341 *	—	1.053 *
Zurich	1.516	2.5631	0.8707	0.2567	0.1168 *	0.7734	4.2316 *	—	1.1105 *	1.3309	1.4089 *
1 ECU	1.1697	0.6983	2.0551	6.9773	1,532.53	2.3146	42.2565	1.7878	160.224	1.3347	127.764
1 SDR	1.3321	0.7948	2.341	7.9456	1,745.41	2.6362	48.1860	2.0348	182.703	1.5221	145.514

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 p.m.
a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9970.0	Greek drac.	192.10	Mex. peso	3298.00	S. Afr. rand	2.879
Austral. $	1.2731	Hong Kong $	7.7655	N. Zealand $	1.7452	Soviet ruble*	0.5981
Austr. schil.	12.45	Indian rupee	25.93	Norw. krone	6.857	Swed. krona	6.367
Brazil cruz.	389.70	Indo. rupiah	1961.00	Phil. peso	26.46	Taiwan $	26.70
Chinese yuan*	5.3728	Irish £	0.65	Port. escudo	149.70	Thai baht	25.71
Danish krone	6.773	Israeli shek.	2.35	Saudi riyal	3.75	Turkish lira	4589.00
Egypt. pound	3.3078	Kuwaiti dinar	0.2908	Sing. $	1.7235	UAE dirham	3.6727
Fin. markka	4.28	Malay. ring.	2.7805	S. Kor. won	733.10	Venez. boliv.	59.68

New York rates unless marked * (local rate.)

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6750	1.6681	1.6616	Canadian dollar	1.1436	1.1463	1.1488
Deutsche mark	1.7523	1.7575	1.7626	Japanese yen	137.02	137.21	137.33
Swiss franc	1.5249	1.5277	1.5306				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Aug. 28

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	5 5/8-5 3/4	9-9 1/8	8-8 1/8	10 15/16-11 1/16	9 1/8-9 1/4	7 3/8-7 1/2	9 5/8-9 3/4	7 1/4
2 months	5 11/16-5 13/16	9 1/8-9 1/4	8-8 1/8	10 15/16-11 1/16	9 1/8-9 1/4	7 3/8-7 1/2	9 5/8-9 3/4	7 1/8
3 months	5 3/4-5 7/8	9 1/8-9 1/4	8-8 1/8	10 13/16-10 15/16	9 1/8-9 1/4	7 1/8-7 1/4	9 5/8-9 3/4	7 1/8
6 months	5 15/16-6 1/16	9 1/4-9 3/8	7 7/8-8	10 5/8-10 3/4	9 1/8-9 1/4	6 7/8-7	9 7/8-10	7 1/8
1 year	6 1/4-6 3/8	9 3/8-9 1/2	7 5/8-7 3/4	10 1/2-10 5/8	9 1/8-9 1/4	6 5/8-6 3/4	9 7/8-10	7 1/2

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Aug. 28

	Close	Prev.
United States		
Discount rate	5 1/2	5 1/2
Prime rate	8 1/2	8 1/2
Federal funds	5 5/8	5 1/2
Com. paper 90-179 days	5.55	5.55
3-month Treasury bills	5.28	5.34
6-month Treasury bills	5.30	5.41
1-year Treasury bills	5.34	5.45
30-year Treasury bond	8.06	8.13
2-month CD's	5.30	5.30
3-month CD's	5.30	5.30
Japan		
Discount rate	5 1/2	5 1/2
Call money	7 15/32	7 7/16
1-month interbank	7 11/32	7 11/32
3-month interbank	7 5/32	7 5/32
Germany		
Discount rate	7 1/2	7 1/2
Lombard rate	9 1/4	9 1/4
Call money	9.15	8.95
1-month interbank	9.15	9.15
3-month interbank	9 1/4	9 1/4
6-month interbank	9.40	9.40
Britain		
Bank base rate	11.00	11.00
Call money	11 1/16	11 1/16
3-month interbank	10 7/8	10 7/8
6-month interbank	10 11/16	10 11/16
France		
Intervention rate	9.00	9.00
Call money	9.00	9.00
1-month interbank	9 3/16	9 3/16
3-month interbank	9 7/16	9 3/8
6-month interbank	9 1/2	9 1/2

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Asian Dollar Deposits

Aug. 28

1 month	5 1/2 - 5 5/8
2 months	5 11/16 - 5 13/16
3 months	5 3/4 - 5 7/8
6 months	5 15/16 - 6 1/16
1 year	6 1/4 - 6 3/8

Source: Reuters.

U.S. Money Market Funds

Aug. 28

Merrill Lynch Ready Assets
30-day average yield: 5.41
Telerate Interest Rate Index: 5.582
Source: Merrill Lynch, Telerate.

GOLD

Aug. 28

	A.M.	P.M.	Ch'ge
Hong Kong	354.65	355.15	+ 0.60
Luxembourg	355.25	—	+ 0.70
Paris (12.5 kilo)	356.80	355.64	+ 0.03
Zurich	355.00	354.55	+ 0.45
London	355.30	354.50	+ 0.70
New York	—	354.15	− 0.60

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Hoesch's 65% Fall in Profit Signals Hard Times for Steel in Germany

Reuters

FRANKFURT — The German steel concern Hoesch AG announced Wednesday that its group pretax profit plunged 65 percent to 140 million Deutsche marks ($80 million) in the first half of 1991, from 412 million DM in the same period last year.

Industry analysts said the drop was the first signal of bleak times ahead for the German steel sector.

Even though the outlook should brighten late in the second half, the magnitude of the first-half collapse means companies' full 1991 results will likely be even worse than expected, analysts said.

Hoesch said that group earnings in the full 1991 year would fall below 1990 levels but should remain at a satisfactory level.

Separately, Orenstein & Koppel AG, the machinery subsidiary of Hoesch, reported a parent pretax loss of seven million DM in the first half of 1991, down from a profit of 10 million DM last year.

Most analysts had expected a sharp downturn in Hoesch's profit but said they would review their forecasts for all German steel firms after Wednesday's interim report.

"Hoesch's results will set the trend for the rest of the steel sector," said Richard Schramm at Trinkaus & Burkhardt. He planned to revise downward his 1991 forecast for Hoesch earnings to 18 DM to 20 DM per share from 22 DM, after 30 DM in 1990.

Meanwhile, a slow but steady recovery in the world economy should boost steel production and orders from 1992, allowing companies to raise prices, said RWI, a German economic institute, in its latest survey.

"This year is going to be miserable for all the steel firms," said Manfred Sauer at Bank in Liechtenstein, citing massive pressure on prices and weak demand. "1992 should bring an improvement, but the overall level will still remain lower."

■ **Lufthansa Posts Loss**

The German airline Lufthansa on Wednesday posted a 1991 first-half loss of 331 million DM, but managed a 145 million DM second-quarter profit, Reuters reported from Frankfurt.

Lufthansa attributed the rebound in the April-June period mainly to improved domestic traffic volume and cargo business.

Big Companies To Be Divided

Reuters

BERLIN — The Treuhandanstalt, the government privatization agency, said Wednesday it would break up more than 100 large state-owned companies in what used to be East Germany in order to attract investors.

The decision spells the end for most of the East's large industrial combines, created in the late 1970s in an attempt to compete against the West.

The Treuhand has sold about 3,000 of the 10,000 state enterprises in the East.

Fujitsu Taking a Stake In U.S. Computer Firm

New York Times Service

SAN FRANCISCO — In one of the latest examples of American electronics companies turning to Japan for money in exchange for technology, Hal Computer Systems Inc. said Wednesday it had reached agreement on a $40.2 million investment from Fujitsu Ltd.

The agreement announced by Hal, a Silicon Valley startup company headed by a former star computer designer for IBM, represents one of the largest initial financings ever for a computer company. It comes as some analysts and industry executives have expressed alarm that such money-for-technology swaps could give Japanese companies access to U.S. innovations and cause the United States to lose its lead in key areas of computers.

Hal was started a year ago by R. Andrew Heller, who led the team that developed International Business Machines Corp.'s RS/6000 engineering work stations.

Hal, which is named after the computer in the movie "2001: A Space Odyssey," is developing a broad line of computers for commercial uses. The machines will use the Unix operating system and an advanced microprocessor Hal is designing itself based on Sun Microsystems' Sparc model.

Microprocessor design has been one of the weak points of Japanese companies and could help explain the interest of Fujitsu, Japan's biggest computer company.

Fujitsu, which will own 44 percent of Hal but will not be able to raise its stake above that, will gain access to Hal's technology and will help develop the computers. It also will manufacture the microprocessors and some of the computers and will have the rights to sell the machines in Japan and the Far East.

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KINGDOM OF LESOTHO
CONSTRUCTION OF OXBOW - MOKHOTLONG ROAD

1. The Government of the Kingdom of Lesotho has obtained loans from financiers and it is intended that part of the proceeds of these loans will be applied to eligible payments under the contracts for which this invitation to prequalify is issued.
2. The Ministry of Works proposes to let two contracts for construction and intends to prequalify contractors for the following works:
2.1 The realignment and upgrading of the Oxbow - Letseng - Tlokoang Road to a bitumen surface standard with a carriageway width of 6.00m and a shoulder width of 1.00m on each side. The upgraded road will be approximately 72.6 km in length and will have six new bridges of total length 144m approximately. The works will be jointly financed be BADEA, OPEC, KFAED and the Government of the Kingdom of Lesotho.
2.2 The realignment and upgrading of the Tlokoang - Sani Junction - Mokhotlong Road to a bitumen surface standard with a carriageway width of 6.00m and a shoulder width of 1.00m on each side. The upgraded road will be approximately 37.1 km in length and will have three new bridges of total length 160m approximately. The works will be jointly financed by the ADF and the Government of the Kingdom of Lesotho.
3. Prequalification is open to contractors and joint ventures of contractors from member countries of the African Development Bank, BADEA, OPEC, and KFAED.
4. The scope of the work is as follows:
(a) Cutting, hauling, filling, compacting of common material.
(b) Cutting and filling of rock material.
(c) Wining, hauling, placing and compacting of selected subgrade, subbase and base course material.
(d) Lime stabilisation of gravel base, or crushed rock base.
(e) Double surface dressing to a minimum width of 6.00m on the total length of the project roads.
(f) Construction of drainage structures e.g. corrugated metal pipe culverts, reinforced concrete culverts and drains
(g) Erection of guard rails, traffic signs, protection works and ancillary works.
Prequalification of bidders shall be based upon the ability of the applicant to perform the work satisfactorily taking into account, inter alia:
(a) Experience and past performance on similar contracts.
(b) Knowledge of local working conditions and developing countries.
(c) Capabilities with respect to personnel, equipment and plant.
(d) Financial position.
(e) Current commitments.
5. Interested eligible contractors may apply to be prequalified for one or for both contracts
6. All contractors wishing to be prequalified for participation in the bidding for the above projects are invited to submit completed prequalification questionnaires to the address below not later than 31 October 1991.
The Principal Secretary,
Ministry of Works,
P.O. Box 20, Maseru 100,
Lesotho, (Southern Africa)
7. The Ministry of Works will inform all applicants of the results of their applications. The Ministry of Works reserves the right to accept or reject any application and to cancel the prequalification process and reject all applications, without thereby incurring any liability to the affected applicants or any obligation to inform the applicants of the grounds for the action by the Ministry of Works.
Prequalification questionnaires and further information may be obtained free of charge from the following address:
After the 1st September 1991.
The Chief Roads Engineer,
Ministry of Works,
P.O. Box 194, Maseru 100,
Lesotho, (Southern Africa)
Telex No. 4258 LO
Fax No. 310123

MARKET DIARY

Revised GNP Figures Send Dollar Downward

Reuters

NEW YORK — The dollar closed weaker Wednesday in moderate trading, as an unexpected downward revision to second-quarter U.S. gross national product triggered selling of the currency.

"The dollar fell on the GNP news, and then we saw some technical selling," with support broken

N.Y. Stocks

at 1.7450, 1.7420 and 1.7390 Deutsche marks, said David Gilmore, senior analyst at MCM Currencywatch.

The dollar ended at 1.7385 DM and 136.550 yen, down from 1.7500 DM and 136.935 yen at Tuesday's close. The dollar also closed at 1.5167 Swiss francs and 5.9100 French francs, down from 1.5234 and 5.9445 Tuesday. The British pound rose to $1.7385 from Tuesday's $1.6805.

The dollar's drop on the data inspired stop-loss selling, as the currency fell through technical support levels.

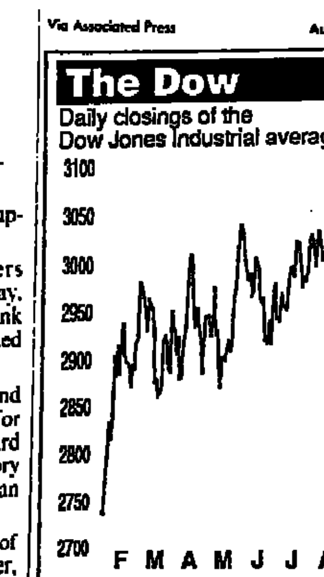
Investment-fund managers dumped dollars early in the day, and a Southeast Asian central bank was also rumored to have unloaded dollars, Mr. Gilmore said.

As for the GNP revision, he and others said it may prove bullish for the dollar. Much of the downward revision resulted from inventory drawdowns that were greater than initially estimated.

The $27.7 billion liquidation of inventories in the second quarter, combined with previous liquidations, could set the stage for a rebound in inventories during this quarter and next, analysts said.

In London, the dollar ended the day at 1.7415 DM and 136.65 yen, down from Tuesday's 1.7495 DM and 136.95 yen. It also ended at 1.5173 Swiss francs and 5.9175 French francs, down from 1.5218 and 5.9450. The British pound closed in London at $1.6885, up from $1.6800.

Via Associated Press Aug. 28



Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	3026.41	3064.85	3018.11	3055.23	+ 29.07
Trans	1202.22	1216.50	1195.52	1212.45	+ 10.05
Util	206.81	209.19	206.37	208.56	+ 2.00
Comp	1074.97	1088.15	1071.20	1084.70	+ 9.95

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	471.86	467.47	471.86	+4.27
Transp.	299.83	296.50	299.46	+2.83
Utilities	143.81	142.51	143.81	+1.29
Finance	32.02	31.71	32.01	+0.28
SP 500	396.64	393.03	396.64	+3.58
SP 100	374.96	371.37	374.84	+3.09

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	217.17	215.39	217.17	+1.91
Industrials	273.23	271.02	273.23	+2.51
Transp.	180.78	178.78	180.78	+1.85
Utilities	94.14	93.46	94.14	+0.73
Finance	159.78	158.81	159.78	+1.16

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	526.48	521.64	526.29	+4.54
Industrials	588.32	582.23	588.32	+6.40
Finance	533.74	531.06	533.60	+2.40
Insurance	543.96	540.61	542.05	—0.12
Utilities	581.58	576.47	580.82	+3.97
Banks	346.47	343.93	346.47	+1.11
Transp.	532.63	526.13	530.11	+0.50

AMEX Stock Index

High	Low	Close	Ch'ge
370.63	368.68	370.62	+1.00

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	96.11	+0.03
10 Utilities	97.29	+0.18
10 Industrials	94.94	—0.12

Market Sales

NYSE 4 p.m. volume	169,590,000
NYSE prev. cons. close	179,732,130
Amex 4 p.m. volume	16,600,000
Amex prev. cons. close	17,209,000
NASDAQ 4 p.m. volume	165,658,800
NASDAQ prev. 4 p.m. volume	139,672,000
NYSE volume up	115,775,090
NYSE volume down	32,777,580
Amex volume up	9,836,825
Amex volume down	4,738,140
NASDAQ volume up	98,178,700
NASDAQ volume down	34,180,600

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Aug. 27	723,708	662,190	17,868
Aug. 26	592,668	650,502	28,988
Aug. 23	863,681	775,891	56,170
Aug. 22	773,353	680,114	18,117
Aug. 21	830,282	787,176	102,869

*Included in the sales figures.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
TelMex n	26566	38¼	37⅛	37½	+ ¾
Unisys	25988	5⅝	5	5½	+ ⅜
Limitd	20016	28⅝	27¾	28½	+ ⅜
PhilMr	18955	74⅝	73½	74¼	+1
USXMar n	17611	31⅜	30½	31⅛	+1⅛
RJR Nb n	17582	12½	12⅛	12¼	
TexUtil	16050	37½	37⅛	37½	+ ¼
IBM	15787	95¼	94⅛	94½	— ⅜
CntlBk	15635	13⅞	12½	13½	— ⅜
AT&T	14190	38⅝	38½	38⅝	— ⅛
Upjohn	14088	44⅝	43¾	44½	+ ⅜
MIN	14052	7⅝	7⅝	7⅝	+ ⅛
ToyRU	13914	35⅝	34⅞	35½	+ ½
C&S Sovr	13717	30¼	29⅝	30⅛	+ ⅞
TriliEng	13699	42	40	41⅝	+2⅝

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
BairPh	22390	8½	6⅞	8¼	+2⅛
BAT In	15383	11⅝	11⅛	11⅝	+ ⅛
ForstL s	9877	37⅛	36	36⅛	— ⅜
Harken	5856	8⅝	7¼	7½	— ⅜
GiantFd	5683	25¼	22	22⅝	—1¼
DowC rt	4567	9¼	9	9¼	+ ¼
AMed	3787	9⅝	9⅜	9⅝	+ ⅛
ICH	2943	3⅛	3	3¼	— ⅛
Hasbro	2844	27⅝	25⅞	27⅛	+1
Amdhl	2754	14⅛	13⅝	13⅝	— ⅜
CornCr	2685	21⅜	20½	21½	+ ½
RspTch	2258	5¼	4⅞	5	+ ⅜
TubMex	2198	10⅝	10½	10½	
FruitL	2079	17⅞	17½	17⅝	— ⅛
NY Tim	2041	22⅛	21⅞	22⅛	+ ¼

NYSE Diary

	Close	Prev.
Advanced	1055	697
Declined	520	873
Unchanged	516	532
Total Issues	2091	2102
New Highs	132	81
New Lows	5	6

Amex Diary

	Close	Prev.
Advanced	328	244
Declined	252	301
Unchanged	210	249
Total Issues	790	794
New Highs	28	26
New Lows	6	7

NASDAQ Diary

	Close	Prev.
Advanced	1,181	910
Declined	762	1,018
Unchanged	2,199	2,212
Total Issues	4,142	4,140

S&P 100 Index Options Aug. 28

Strike Price	Calls-Last Sep	Oct	Nov	Dec	Puts-Last Sep	Oct	Nov	Dec
335	—	—	—	—	—	1¼	2¼	—
340	35⅝	—	—	—	¾	1⅝	2⅝	4⅝
345	29¾	—	—	—	½	1⅜	3¼	—
350	25	—	—	—	⅝	2⅞	4	6½
355	20⅛	—	24⅞	—	⅝	2⅜	4⅝	—
360	16½	19½	21⅛	—	1⅛	3⅝	5⅝	8⅝
365	11½	15½	16⅛	—	2	4⅝	7	—
370	7⅞	11¼	14½	17	3¼	6½	8⅝	10¾
375	4⅞	8½	11¼	—	5⅛	8	10⅛	—
380	2⅝	5¾	8⅝	11	8⅝	10½	13¼	16
385	1¼	3⅝	5⅝	—	14	14½	15¾	—
390	⅝	2⅛	4⅛	6⅝	—	—	19	20

Calls: total vol. 87,965 ; total open int. 317,434
Puts: total vol. 84,485 ; total open int. 353,502

	Dec 92	Dec 93	Dec 92	Dec 93
27½	11	—	⅛	—
30	—	—	⅜	—
32½	—	—	1½	—
35	5⅛	6⅛	2	2⅝
37½	—	—	3	3⅝
40	2⅝	—	—	4⅝

Calls: total vol. 65 : total open int. 22,877
Puts: total vol. 393 : total open int. 74,974
Source: CBOE.

Blue Chips Propel Dow to a New High

Reuters

NEW YORK — U.S. stocks surged Wednesday to their second record close in less than a week on the strength of a bond market rally propelled by fresh expectations of a cut in interest rates.

The Dow Jones industrial average rose 29.07 points, or nearly 1 percent, to close at 3,055.23, topping the record close of 3,040.25 set

Foreign Exchange

Friday. Broader market indexes, including those that track smaller issues, also set new highs.

Volume was a robust 169.6 million shares on the New York Stock Exchange, where advancing shares outpaced losers by a 2-1 margin.

The Commerce Department said the economy shrank slightly in the second quarter, reversing an earlier report that it had expanded. The latest data gave rise to renewed speculation that the Federal Reserve would have to cut interest rates further to jump-start the economy.

General Motors gained 1⅛ to 38½. Kidder Peabody said it remained positive on GM and Ford, which added ⅜ to 31⅞.

Teléfonos de México continued to rally, gaining ⅜ to 37⅜. Salomon repeated a buy rating on the company, citing improving confidence in the Mexican economy.

The Nasdaq index of smaller, over-the-counter issues rose 4.54 points to 526.29, a sixth straight record.

The NYSE composite index rose 1.91 to 217.17, surpassing the record set Friday. The Standard & Poor's composite index of 500 stocks rose 3.58 to 396.64, also a new record.

The average share on the New York Stock Exchange was up 32 cents. Composite volume on the New York and other consolidated exchanges was about 207 million shares.

EUROPEAN FUTURES

Food

SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons

	Close		High	Low	Prev. Close	
Oct	202.80	203.00	205.00	202.60	202.40	202.60
Dec	187.20	188.60	188.00	185.00	180.00	190.00
Mar	185.60	186.40	187.00	185.00	184.80	185.00
May	185.80	186.80	187.40	187.40	184.20	186.40
Aug	175.00	200.00	N.T.	N.T.	184.20	190.40
Oct	176.00	200.00	190.00	184.20	188.80	194.40
Dec	166.00	198.00	N.T.	N.T.	178.80	194.40

Est. Sales 324.

COCOA (FOX) Sterling per metric ton-lots of 10 tons

	Close		High	Low	Prev. Close	
Sep	643	644	648	640	650	651
Dec	683	684	688	679	690	691
Mar	721	722	726	717	727	728
May	740	741	744	738	746	747
Jul	759	760	761	756	765	766
Sep	778	780	781	781	785	786
Dec	803	805	805	804	810	811
Mar	828	829	829	828	834	836
May	845	846	845	845	853	854
Jul	862	863	863	863	871	872

Est. Sales 3,807.

COFFEE (FOX) Sterling per metric ton-lots of 5 tons

	Close		High	Low	Prev. Close	
Sep	517	518	525	518	526	528
Nov	546	547	554	546	556	557
Jan	569	570	576	569	579	580
Mar	589	590	594	589	598	599

Est. Sales 18,791.

WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons

	High	Low	Close		Ch'ge
Oct	287.00	284.50	284.70	285.80	—0.90
Dec	279.00	278.00	278.00	279.50	+0.60
Mar	277.00	275.30	276.50	277.50	+1.20
May	N.T.	N.T.	275.80	277.00	+1.20
Aug	N.T.	N.T.	274.00	275.50	+0.30
Oct	N.T.	N.T.	254.00	256.00	+1.50

Est. sales 1,806. Prev. sales 1,029. Open interest 12,717.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1256.00	1257.00	1252.00	1254.00
Forward	1289.00	1290.00	1283.00	1284.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1356.00	1357.00	1343.00	1344.00
Forward	1356.00	1357.00	1351.00	1352.00
LEAD Sterling per metric ton				
Spot	317.00	317.50	318.00	319.00
Forward	329.00	330.00	330.00	330.50
NICKEL Dollars per metric ton				
Spot	7830.00	7840.00	7890.00	7895.00
Forward	7880.00	7885.00	7940.00	7945.00
TIN Dollars per metric ton				
Spot	5575.00	5585.00	5585.00	5590.00
Forward	5655.00	5660.00	5665.00	5670.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1013.00	1015.00	1022.00	1024.00
Forward	1033.00	1034.00	1043.00	1044.00

Financial

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Close	Change
Sep	89.33	89.29	89.33	+0.04
Dec	89.85	89.79	89.85	+0.07
Mar	90.03	89.97	90.03	+0.05
Jun	89.89	89.87	89.89	+0.02
Sep	89.80	89.78	89.78	Unch.
Dec	89.70	89.68	89.70	+0.02
Mar	89.54	89.52	89.54	+0.03
Jun	89.49	89.47	89.49	+0.02
Sep	N.T.	N.T.	89.48	+0.02
Dec	89.48	89.46	89.48	+0.03

Est. volume: 17,761. Open interest: 138,930.

3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct

	High	Low	Close	Change
Sep	94.31	94.24	94.30	+0.07
Dec	N.A.	93.93	94.03	+0.12
Mar	94.04	93.95	94.04	+0.12
Jun	93.70	93.63	93.71	+0.10
Sep	93.24	93.18	93.25	+0.08
Dec	92.69	92.64	92.70	+0.07
Mar	N.T.	N.T.	92.60	+0.08
Jun	N.T.	N.T.	92.33	+0.09

Est. volume: 4,332. Open interest: 40,469.

3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct

	High	Low	Close	Change
Sep	90.76	90.73	90.75	+0.01
Dec	90.72	90.69	90.72	+0.02
Mar	90.93	90.91	90.93	+0.02
Jun	91.08	91.07	91.08	+0.02
Sep	91.21	91.20	91.20	+0.01
Dec	91.30	91.30	91.30	+0.01
Mar	91.33	91.33	91.34	+0.03
Jun	N.T.	N.T.	91.40	+0.01

Est. volume: 11,031. Open interest: 129,683.

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Change
Sep	93-18	93-06	93-16	+0-06
Dec	93-25	93-14	93-25	+0-07
Mar	N.T.	N.T.	93-31	+0-07

Est. volume: 40,278. Open interest: 83,305.

GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct

	High	Low	Close	Change
Sep	85.02	84.75	85.00	+0.29
Dec	85.17	84.93	85.17	+0.29
Mar	85.28	85.28	85.28	+0.30

Est. volume: N.A. Open interest: 90,738.

Industrials

GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons

	High	Low	Last	Settle	Ch'ge
Sep	194.00	191.75	193.25	193.25	+0.50
Oct	195.50	193.50	194.75	195.00	+0.25
Nov	197.00	194.00	196.25	196.50	+0.25
Dec	197.75	195.75	197.50	197.50	+0.25
Jan	195.25	193.75	194.50	194.50	Unch.
Feb	190.00	189.00	189.00	189.75	+0.75
Mar	182.50	182.00	182.50	182.25	—0.25
Apr	N.T.	N.T.	N.T.	176.50	—2.00
May	N.T.	N.T.	N.T.	173.00	—2.50

Est. Sales 5,400. Prev. sales 7,758. Open interest 92,299

BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels

	High	Low	Last	Settle	Ch'ge
Oct	20.12	20.02	20.12	20.02	—0.08
Nov	20.14	20.05	20.14	20.05	—0.08
Dec	20.10	20.05	20.10	20.03	—0.13
Jan	20.00	19.90	20.00	19.90	—0.05
Feb	N.T.	N.T.	N.T.	19.88	—0.05
Mar	N.T.	N.T.	N.T.	19.42	—0.05
Apr	N.T.	N.T.	N.T.	19.57	—0.05
May	N.T.	N.T.	N.T.	19.52	—0.05

Est. Sales 14,800. Prev. sales 13,321. Open interest 69,446

Stock Indexes

FTSE 100 (LIFFE) £25 per index point

	High	Low	Close	Change
Sep	2659.0	2644.0	2647.0	Unch.
Dec	2705.5	2692.0	2693.0	Unch.
Mar	N.T.	N.T.	2727.0	Unch.

Est. volume: 3,681. Open interest: 38,103.

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.571	0.569
Coffee, lb	0.66	0.66
Copper electrolytic, lb	1.1345	1.132
Iron FOB, ton	213.00	213.00
Lead, lb	0.33	0.33
Silver, troy oz	3.92	3.93
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	0.89	0.89
Tin, lb	3.6105	3.6199
Zinc, lb	0.5225	0.5275

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
Security Fed Svgs	Q	.08¼	9-30	9-13
Westvaco Corp	Q	.27½	10-1	9-11
INITIAL				
Calif Bancshares	-	.13	10-1	9-20
Gap Inc	Q	.08	9-16	9-6
Toronto Stock Exch	-	.10	9-27	9-13
SPECIAL				
Security Fed Svgs	-	.05	9-30	9-13
Toronto Stock Exch	-	.20	9-27	9-13
STOCK SPLIT				
Metropolitan Fin — 6-for-5				
USUAL				
Amer Bankers Insur	Q	.15	9-20	9-6
Amwest Insur Grp	Q	.07	10-15	9-30
Arbor Drugs	Q	.03½	10-1	9-17
Century Tel Ent	Q	.10¼	9-28	9-6
Conn Energy Corp	Q	.31¼	9-27	9-6
DQE Inc	Q	.36	10-1	9-6
First Finl Bncp	Q	.28	10-1	9-9
Florida E Coastind	Q	.10	9-27	9-13
Genl Parametics	Q	.09	9-23	9-9
Gibson Greetings	Q	.09	9-13	8-30
Hawthorne Finl	Q	.25	11-1	10-15
Ipalco Enterp	Q	.47	10-15	9-11
Piedmont Nat Gas	Q	.44	10-15	9-24
San Diego Gas & El	Q	.70	10-15	9-10
Security Bncp	Q	.25	10-1	9-6
Showboat Inc	Q	.02½	10-10	9-13
Tambrands Inc	Q	.30	9-13	9-6
United Fedl Bncp	Q	.11	9-30	9-9

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

U.S./AT THE CLOSE

Salomon Debt Rating Cut

NEW YORK (AP) — Moody's Investors Service Inc. lowered Wednesday the credit rating of billions of dollars in Salomon Inc. debt because of the bond-trading scandal engulfing the Wall Street firm.

Moody's downgraded about $7 billion in long-term debt issued by Salomon, as well as more than $6 billion in commercial paper.

The agency said it lowered the credit rating on Salomon's senior debt to A3 from A2, and reduced its rating on commercial paper to Prime-2 from the highest level, Prime-1. All of Salomon's debt, however, remains at an investment-grade status.

In a separate development, a team of state securities regulators will investigate the Salomon scandal for possible state action against the firm, an official said Wednesday.

Missouri's Secretary of State, Roy Blunt, will head a national task force that could create a structure for Salomon to settle claims with states in which it is licensed.

Miles Named Head of Philip Morris

NEW YORK (Reuters) — Philip Morris Cos., the biggest U.S. tobacco company and a diversified food concern, said on Wednesday it had named Michael A. Miles as its new chairman and chief executive.

Mr. Miles, who was appointed vice chairman last year, is the company's first leader who is not from the tobacco industry. He was chairman of Philip Morris's Kraft General Foods unit until March. Mr. Miles succeeds Hamish Maxwell.

USAir in Talks with Continental

CHICAGO (Reuters) — USAir Group Inc. said Wednesday it was in preliminary talks with Continental Airlines but declined to say whether the two carriers might be considering a merger.

Continental, which has been under bankruptcy court protection since December, said it has talked with Arlington, Virginia-based USAir and also with St. Paul, Minnesota-based Northwest Airlines.

Gynex Gets Rights to Searle Drugs

VERNON HILLS, Illinois (Reuters) — Gynex Inc. said Wednesday it had obtained from G.D. Searle & Co. exclusive rights in 22 countries for oxandrolone, a potential new drug for treating growth disorders and AIDS.

Gynex said it planned to apply for marketing approval in these countries following completion of clinical studies in the United States.

Gynex previously obtained from Searle exclusive rights to the drug in the United States. Searle has agreed to make the drug exclusively for Gynex for the next 10 years.

McDonnell Heir to Sell Stock

ST. LOUIS (UPI) — The oldest son of the founder of McDonnell Douglas Corp., James Smith McDonnell, plans to sell about $20 million of McDonnell Douglas stock, a company spokeswoman said Wednesday.

James S. McDonnell 3d, who retired from the company as a vice president in January, notified the Securities and Exchange Commission in early August he would sell 382,500 shares of McDonnell Douglas stock held by two trusts and 931 shares from his individual retirement account.

For the Record

Apple Computer Inc. said Wednesday it would offer rebates of up to $800 on selected Macintosh personal computers and printers starting Sept. 1. Apple said its Right Now Rebate, which will be in effect through Jan. 5, calls for an immediate after-tax rebate when the items are purchased. *(UPI)*

Mobil Corp. said Wednesday it had submitted a proposal to Soviet authorities for oil and gas production offshore Sakhalin Island in the east of the Russian Republic. *(UPI)*

MERGE: *Computer Marriages Frequently Go Off-Line, Analysts Caution*

(Continued from first finance page)

lutely a smart move," said Stephen McClellan of Merrill Lynch.

But few who study the industry are ready to declare the merger a success. "The process is long and tedious," said Clare Gillan, an analyst with International Data. "It's still too soon to call it a success."

The company now has to support two full product lines for its combined 13,000 customers, while trying to create an entirely new and complex software line, and customers are anxious.

The new corporate partners have often found their styles clashed. MSA was known as an aggressive marketing and sales organization, while M&D had a reputation for better technology and a family-like atmosphere for workers.

Resentment lingers among the 3,500 employees in the Atlanta headquarters of the combined company and in Framingham, Massachusetts, where the M&D contingent remains. As Mr. Redfern, the 12-year M&D veteran who became executive vice president and general manager in the Framingham office after the merger, put it, "In a merger like this, there are winners and losers."

Among the winners is Mr. Imlay, 54, a heavy-jowled Southerner whose homespun humor accompanies a sharp business sense and strong motivational skills. Mr. Imlay took over MSA in 1970 and built it into a $265 million business.

When he sold to Dun & Bradstreet for $18.50 a share, Mr. Imlay pocketed $53 million and became chairman of the new company.

WORLD STOCK MARKETS

Agence France Presse Aug. 28

Amsterdam

	Close	Prev.
ABN Amro Hld	39	38.90
ACF Holding	36	36.80
Aegon	N.A.	—
Ahold	81.30	80.90
Akzo	122.10	122.10
AMEV	50	49.80
A'Dam Rubber	3.40	3.45
Bols	205	205.20
Buhrmann Tett	44.40	44.20
Center Parcs	24.75	24.75
CSM	79.60	80.20
DAF	21.80	21.80
DSM	106.90	107
Elsevier	85.30	86.10
Fokker	31.50	31.90
Gist-Brocades	36.10	36
Heineken	153.10	154
Hoogovens	N.A.	—
Hunter Douglas	76.40	76.50
IHC Caland	60.30	60.60
Inter Mueller	70	68
Int'l Nederland	47.90	48.20
KLM	30.10	30
KNP	49.10	49.20
Nedlloyd	58	58.90
Oce Grinten	58	57.90
Pakhoed	43.80	44.60
Philips	27.50	27.75
Robeco	101	101.10
Rodamco	157	157
Rolinco	99.60	99.70
Rorento	67.50	67.40
Royal Dutch	157.30	157.20
Unilever	122.50	122
Van Ommeren	N.A.	—
VMF Stork	34.25	34.50
VNU	70.70	70
Wessanen	84.50	84.80
Wolters/Kluwer	55.40	53.40

CBS Trend Index : 91.30
Previous : 91.28

Brussels

	Close	Prev.
AG Fin	1740	1770
Arbed	4600	4500
Barco	1046	1048
Bekaert	9260	9260
Cockerill	176	175
Cobepa	4920	4920
Delhaize	7820	7790
Electrabel	4475	4495
GB-Inno-BM	1240	1250
GBL	3330	3325
Gevaert	6480	6480
Hoboken	11000	10800
Kredietbank	4010	4000
Petrofina	11450	11500
Royal Belge	4010	4060
Soc Gen Banque	5160	5150
Soc Gen Belgique	2280	2250
Sofina	11425	11450
Solvay	533	535
Tractebel	7900	7970
UCB	18000	18100
Powerfin	2370	2390

Current Stock Index : 5649.32
Previous : 5640.15

Frankfurt

	Close	Prev.
AEG	187	187.20
Allianz Hold	2090	2113
Altana	642.50	640
Asko	886	885
BASF	243.50	243
Bayer	277.70	277.20
Bay. Hypo bank	360	360
Bay Vereinsbk	N.A.	—
BBC	825.50	825
BHF Bank	370	370
BMW	525	524.50
Commerzbank	253.80	253.20
Continental	202	202.10
Daimler Benz	755	752
Degussa	N.A.	—
Dt Babcock	163.50	163.50
Deutsche Bank	652.80	653.50
Douglas	744	744
Dresdner Bank	N.A.	—
Harpener	308	306
Henkel	N.A.	—
Hochtief	N.A.	—
Hoechst	246.50	245.10
Hoesch	N.A.	—
Holzmann	1385	1380
Horten	200	198.50
IWKA	313.50	310
Kali Salz	N.A.	—
Karstadt	631	630
Kaufhof	506	502
KHD	171.50	169
Kloeckner Werke	146	146
Krupp Stahl	142.50	147.50
Linde	811.50	814
Lufthansa	140.50	139.80
MAN	0.89	N.A.
Mannesmann	277.50	280
Metallgesell	495	497.50
Muench Rueck	2370	2435
Nixdorf	236.50	237
PKI	507	N.A.
Porsche	N.Q.	—
Preussag	N.A.	—
PWA	268.50	265
RWE	380.10	379.80
Rheinmetall	314.50	315
Schering	824.50	819
SEL	370	372
Siemens	664.60	664
Thyssen	235.60	237.50
Varta	344.50	344
Veba	353.80	353.80
VEW	200	199.80
Viag	397.90	395.80
Volkswagen	382	378
Wella	665.50	661

DAX Index : 1647.58
Previous : 1647.12
FAZ Index : 685.70
Previous : 685.43

Helsinki

	Close	Prev.
Amer A	56	57
Enso-Gutzeit	19	19
K.O.P.	N.A.	—
Kymmene	64	64
Metra	67	66
Nokia	90	91.60
Pohjola	90	92
Repola	54	54
Stockmann	N.Q.	—

HEX Index : 974.40
Previous : 976.60

Hong Kong

	Close	Prev.
Bk East Asia	19.40	19.50
Cathay Pacific	9.20	9.20
Cavenaish Int'l	3.45	3.48
Cheung Kong	20.90	21
China Light Pwr	21	20.90
Dairy Farm Int'l	10.30	10.30
Hang Lung Dev	8.05	8.10
Hang Seng Bank	32.50	32
Henderson Land	13	13.10
HK Air Eng.	18.30	18.20
HK China Gas	10.50	10.50
HK Electric	12.70	12.70
HK Land	8.80	8.85
HK Realty Trust	6.75	6.80
HK Shang Bank	30.50	29.90
HK Shang Hils	4.65	4.65
HK Telecomm	6.95	7
HK Ferry	5.10	5.10
Hutch Whampoa	14	14.30
Hysan Dev	7.95	8
Jardine Math.	31.75	33.25
Jardine Str Hld	16.40	17
Kowloon Motor	7.85	7.75
Mandarin Orient	4.58	4.60
Miramar Hotel	5.90	5.95
New World Dev	11.10	11.30
SHK Props	21.90	21.90
Stelux	3.65	3.65
Swire Pac A	21.70	21.60
Tai Cheung Pros	4.50	4.48
TVE	1.63	1.61
Wharf Hold	10.20	10.20
Wing On Co	7.60	7.60
Winsor Ind.	9.60	9.65
World Int'l	5.35	5.35

Hang Seng Index : 3968.14
Previous : 3981.96

Johannesburg

	Close	Prev.
AECI	10.50	10.50
Altech	92	92
Anglo Amer	120	118
Barlows	48.75	48
Blyvoor	7	7
Buffels	38	38
De Beers	89.25	89
Driefontein	35.50	35.25
Gencor	12.85	12.85
GFSA	72.50	72
Harmony	17.50	17.25
Highveld Steel	15.75	15.75
Kloof	27.50	27.25
Nedbank Grp	14.50	14.75
Randfontein	13.75	13.35
Rusplat	65.25	64.25
SA Brews	59.50	59.25
St Helena	24.75	24.75
Sasol	14.30	14.30
Welkom	13.25	13.25
Western Deep	99	96

Composite Stock Index : 3391
Previous : 3375

London

	Close	Prev.
Abbey Nat'l	3.02	3.03
Allied Lyons	5.77	5.77
Arjo Wiggins	2.80	2.80
Argyll Group	3.03	3.02
ASDA Group	0.91	0.89
Ass Brit Foods	5.10	5.17
BAA	4.28	4.30
BAe	5.77	5.73
Bank Scotland	1.21	1.24
Barclays	4.75	4.72
Bass	9.82	9.76
BAT	6.95	6.88
BET	2.14	2.19
BICC	4.43	4.53
Blue Circle	2.69	2.68
BOC Group	6	5.91
Boots	4.31	4.30
BP	3.44	3.46
Brit Airways	1.77	1.77
Brit Gas	2.71	2.72
Brit Steel	1.26	1.25
Brit Telecom	3.88	3.90
BTR	4.21	4.20
Cable Wire	5.85	5.73
Cadbury Sch	3.89	3.83
Comm Union	5.15	5.13
Courtaulds	4.78	4.73
Enterprise Oil	5.16	5.18
Eurotunnel	4.90	4.95
Fisons	4.95	4.95
Forte	2.81	2.81
GEC	1.92	1.92
Gen'l Acc	5.34	5.34
Glaxo	13.42	13.40
Grand Met	8.22	8.15
GRE	1.81	1.88
Guinness	9.91	9.90
GUS A	13.81	13.78
Hanson	2.17	2.18
Hawker Sidd	5.98	5.88
Hillsdown	2.33	2.33
ICI	13.35	13.28
Kingfisher	5.79	5.73
Ladbroke	2.73	2.68
Land Sec	5.21	5.19
Lasmo	3.19	3.22
Legal Gen Grp	4.38	4.34
Lloyds Bank	3.90	3.90
Lonrho	2.41	2.41
Lucas Ind	1.56	1.52
Marks Sp	2.85	2.87
Maxwell	1.86	1.85
MEPC	4.85	4.81
Midland Bk	2.53	2.49
Nat'l Power	1.52	1.51
NatWest	3.50	5.69
NthWst Water	3.63	3.60
Pearson	7.45	3.49
P & O	5.77	7.47
Pilkington	1.65	5.78
PowerGen	1.66	1.66
Prudential	2.58	2.55
Racal Elec	2.23	2.24
Rank Org	7.28	7.28
Reckitt Col	6.85	6.87
Redland	5.75	5.70
Reed Intl	4.68	4.69
Reuters	8.77	8.72
RMC Group	6.66	5.59
Rolls Royce	1.34	1.31
Rothmans	10.96	10.90
Royal Ins	3.98	3.97
Royal Scot	1.86	1.83
RTZ	5.89	5.88
Sainsbury	3.59	3.60
Scot Newcas	4.10	4.09
Sears Holds	0.85	0.86
Severn Trent	3.32	3.30
Shell	5.29	5.28
Smith Nephew	1.36	1.37
SmithKline B	7.93	5.96
Sun Alliance	3.57	3.60
Tarmac	2.29	2.26
Tate & Lyle	3.90	3.93
Tesco	2.71	2.64
Thorn EMI	7.97	8
Trafalgar Hse	2.47	2.40
TSB Group	1.58	1.59
Ultramar	2.76	2.77
Unilever	7.57	7.57
Utd Biscuits	3.98	3.94
War Loan 3½	35.69	35.75
Wellcome	7.43	7.37
Whitbread	4.93	4.95
Williams Hdgs	3.42	3.41
Willis Corroon	3.09	3.03

F.T. 30 Index : 2055.00
Previous : 2053.30
F.T.S.E. 100 Index : 2634.20
Previous : 2619.80

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3265	3295
Banco Central	4260	4290
Bco. Santander	5160	5180
Banesto	3770	3795
CEPSA	2215	2240
Dragados	2375	2385
Iberduero	685	685
Telefonica	975	975

S.E. General Index : 271.90
Previous : 272.74

Milan

	Close	Prev.
Alenia	2817	2799
Banca Comm	4770	4800
Bastogi	200	202
Benetton group	9750	9730
Ciga hotels	2325	2325
CIR	2540	2555
Cred Ital	2570	2600
Enichem	1465	1470
Eridania	7310	7256
Ferfin	2039	2030
Ferfin Risp	1310	1312
Fiat SPA	5520	5550
Generali	30050	30300
IFI	14395	14550
Italcem	21910	21760
Italgas	3210	3215
Italmobiliare	72800	73000
Mediobanca	15105	15300
Montedison	1332	1340
Olivetti	3425	3485
Pirelli	1909	1910
RAS	17050	17200
Rinascente	7385	7390
Saipem	1575	1550
SIP	1086	1092
SME	3145	3125
Snia	1295	1320
Standa	34350	34500
Stet	1870	1900
Toro Assi Risp	21300	21950

MIB Index : 1066
Previous : 1071

Montreal

	Close	Prev.
Alcan Aluminum	24	23¾
Bank Montreal	37	37⅛
Bell Canada	45	44⅝
Bombardier A	N.Q.	—
Bombardier B	23	22⅝
Cambior	9⅝	N.Q.
Cascades	4.65	4.60
Dominion Text A	7¼	7⅛
Donahue	N.Q.	12⅝
MacMillan Bl	19½	19½
Memotec	N.Q.	—
Nat'l Bk Canada	11	10⅝
Power Corp.	15⅝	15½
Provigo	12⅛	12⅝
Quebec Tel	16⅛	16¼
Quebecor A	17⅛	17⅝
Quebecor B	17⅛	17¼
Videotron	13½	13¼

Industrials Index : 1609.14
Previous : 1594.13

Paris

	Close	Prev.
Accor	795	789
Air Liquide	700	700
Alcatel Alsthom	581	581
Bancaire (Cie)	527	523
BIC	754	738
Bouygues	576	573
BSN-GD	926	921
Carrefour	2077	2062
C.C.F.	166.60	165
Cerus	122	121.80
Chargeurs	825	830
Club Med	444	442
Elf-Aquitaine	383	378.50
Gen. Eaux	2480	2488
Eurodisneyland	138	136
Hachette	185	179
Havas	524	518
Imetal	289.50	285.20
Lafarge Coppee	361.80	362
Legrand	3711	3720
Lyon. Eaux	552	549
Oreal (L')	626	620
L.V.M.H.	4466	4498
Matra	188.70	191.10
Merlin Gerin	524	526
Michelin B	122	117.60
Moulinex	160	159
Paribas	423.80	425.80
Pechiney Intl	165.50	163.90
Pernod-Ricard	1228	1240
Perrier	1338	1344
Peugeot	635	633
Printemps (Au)	882	887
Radiotechnique	520	510
Raff. St. Louis	1455	1452
Redoute (La)	4197	4150
Saint Gobain	468.60	470
Sanofi	900	901
S.E.B.	1662	1630
Ste Generale A	454.10	458
Suez	349.90	349.30
Thomson-CSF	135.60	136
Total	855	860
U.A.P.	538	536
Valeo	530	522

CAC 40 Index : 1851.83
Previous : 1849.47

Sao Paulo

	Close	Prev.
Banco do Brasil	150	165
Bradesco	8.17	8.90
Brahma	45	46
Paranapanema	4.1	4.49
Petrobras	1655	1690
Vale Rio Doce	251	260
Varig	43.50	43

Bovespa Index : 20966
Previous : 21922

Singapore

	Close	Prev.
City Dev.	3.14	3.14
DBS	11.40	11.50
Fraser Neave	7.85	7.85
Golden Hope Pl	1.08	1.05
Haw Par	2.33	2.33
Hume Industries	3.04	3.08
Inchcape	4.08	4.08
Keppel	7	7.05
KL Kepong	2.34	2.31
Lum Chang	1.02	1.01
Malayan Banking	3.76	3.76
OCBC	8.30	8.30
OUB	4.40	4.54
OUE	6.25	6.35
Sembawang	6.60	6.50
Shangrila	5.15	5.20
Sime Darby	2.16	2.18
SIA	13.10	13
S'pore Land	5.30	5.35
S'pore Press	8.45	8.35
Sing Steamship	2.14	2.14
Straits Trading	2.66	2.62
UOB	6.20	6.20
UOL	1.47	1.48

Straits Times Ind. : 1398.20
Previous : 1383.12

Stockholm

	Close	Prev.
AGA	320	315
Asea	416	415
Astra-A	520	510
Atlas Copco	270	272
Electrolux B	277	276
Ericsson	182	180
Esselte-A	142	147
Handelsbanken	102	102
Norsk Hydro	194	195.50
Procordia AF	195	190
Providentia	102	104
Sandvik	350	347
SCA-A	110	110
S-E. Banken	69	67
Skandia F	180	177
Skanska	174	165
SKF	105	106
Stora	335	335
Trelleborg B	119	120
Volvo	354	358

Affaersvaerlden : 1004.80
Previous : 1006.90

Sydney

	Close	Prev.
ANZ	3.84	3.94
BHP	13.35	13.45
Boral	3.23	3.24
Bougainville	0.74	0.74
Coles Myer	10.40	10.50
Comalco	3.85	3.86
CRA	13.50	13.40
CSR	5.18	5.18
Dunlop	5.10	5.12
Fosters Brew	1.74	1.79
ICI Australia	4.08	4.07
Magellan	2.20	2.20
MIM	1.96	1.97
Nat Aust Bank	7.02	7.06
News Corp	9.36	9.16
Nine Network	0.58	0.58
N Broken Hill	2.47	2.45
Poseidon	1.20	1.18
QCT Resources	1.26	1.24
Santos	3.31	3.32
TNT	0.78	0.78
Western Mining	5.24	5.30
Westpac Banking	4.57	4.60
Woodside	3.30	3.28

All Ordinaries Index : 1541.20
Previous : 1540.70

Tokyo

	Close	Prev.
Akai Electr	1040	1040
Asahi Chemical	680	700
Asahi Glass	1150	1160
Bank of Tokyo	1340	1370
Bridgestone	906	910
Canon	1440	1440
Casio	1270	1290
C. Itoh	599	584
Dai Nippon Print	1330	1360
Daiwa House	1720	1760
Daiwa Securities	1160	1140
Fanuc	4250	4300
Fuji Bank	2540	2540
Fuji Photo	3240	3250
Fujitsu	950	945
Hitachi	1030	1020
Hitachi Cable	983	1000
Honda	1460	1460
Ito Yokado	4460	4410
Japan Airlines	1150	1120
Kajima	1300	1280
Kansai Power	2730	2730
Kawasaki Steel	371	377
Kirin Brewery	1280	1310
Komatsu	759	754
Kubota	558	557
Kyocera	5110	5090
Matsu Elec Inds	1560	1550
Matsu Elec Wks	1360	1390
Mitsubishi Bk	2640	2670
Mitsubishi Kasei	481	487
Mitsubishi Elec	598	595
Mitsubishi Hev	640	672
Mitsubishi Corp	1220	1210
Mitsui and Co	710	708
Mitsukoshi	1080	1080
Mitsumi	1400	1400
NEC	1190	1210
NGK Insulators	976	995
Nikko Securities	872	869
Nippon Kogaku	930	919
Nippon Oil	915	895
Nippon Steel	390	388
Nippon Yusen	513	520
Nissan	669	680
Nomura Sec	1600	1610
NTT (SF)	N.Q.	8436
Olympus Optical	1180	1170
Pioneer	3140	3110
Ricoh	605	614
Sanyo Elec	500	503
Sharp	1420	1430
Shimazu	650	660
Shinetsu Chem	1580	1570
Sony	5610	5600
Sumitomo Bk	2150	2180
Sumitomo Chem	478	425
Sumi Marine	975	970
Sumitomo Metal	400	408
Taisei Corp	801	807
Taisho Marine	786	785
Takeda Chem	1400	1420
TDK	5500	5450
Teijin	483	483
Tokio Marine	1260	1250
Tokyo Elec Pw	3420	3440
Toppan Printing	1250	1270
Toray Ind.	684	684
Toshiba	633	629
Toyota	1520	1540
Yamaichi Sec	836	819

Nikkei 225 : 21622
Previous : 21441
Topix Index : 1683
Previous : 1671

Toronto

	Close	Prev.
Abitibi Price	16¾	16½
Agnico Eagle	5⅛	5
Air Canada	8¼	8⅝
Alberta Energy	14¼	14¼
Am Barrick Res	26	26⅛
BCE	44⅝	44¾
BCED	0.13	0.13
Bk Nova Scotia	18⅝	18¾
BC Gas	15¼	15⅜
BC Phone	20¼	20
BP Canada	12⅝	12½
Bramalea	6⅛	6⅛
Brunswick	7⅛	N.Q.
CAE	7¼	7⅜
Campeau	0.46	0.46
CIBC	32	31⅞
Canadian Pacific	19	18¾
Can Packers	15¾	16
Can Tire A	25⅜	25¾
Canadian Turbo	2	2
Cantor	25	25
Cara	5½	5⅝
CCL Ind B	10⅜	10½
Cineplex	4½	4.40
Cominco	23⅝	23⅜
Conwest Expl A	12¼	12¼
Corona Int'l	6½	N.Q.
Denison Min B	0.24	0.24
Dickenson Min A	2.95	2.90
Dofasco	20⅝	20¼
Dylex A	4.40	4.65
Echo Bay Mines	9¼	9⅜
Equity Silver A	1.05	1.06
FCA Int'l	6	N.Q.
Fed Ind A	7¾	7⅜
Fletcher Chall A	17	17
FPI	6½	6⅛
GoldCorp	3½	3.55
Gulf Cda Res	8⅜	8¾
Hees Int'l	17⅜	17⅜
Hemlo Gld Mines	9½	9⅜
Hollinger	11¼	11¼
Horsham	11⅛	11⅛
Hudson's Bay	32⅜	33½
Imasco	29⅞	30⅛
Inco	40	40⅛
Interprov pipe	29⅞	30⅛
Jannock	15⅛	15⅛
Labatt	25⅜	25⅜
Loblaw Co	20¼	20⅛
Mackenzie	7	6⅞
Magna Intl A	14⅛	14⅛
Maritime	19⅞	20
Mark Res	7	6¾
MacLean Hunter	10⅛	10¼
Molson A	28⅜	28½
Noma Ind A	7⅛	6⅞
Noranda	18	17⅞
Noranda Forest	8⅛	8⅛
Norcen Energy	23⅜	23¼
Nova Corp	7⅞	7⅞
Oshawa	28⅞	29
Pagurin A	6⅛	6¼
Placer Dome	13⅝	13⅝
Poco Petroleum	7⅛	7⅛
PWA Corp	5⅜	5⅜
Quebec Sturgeon	N.Q.	—
Rayrock	7	6⅞
Renaissance	14	14
Rogers B	10½	10⅝
Rothmans	48½	48½
Royal Bank Can	27	26⅞
Royal TrustCo	9⅝	9½
Sceptre Res	2⅞	2.80
Scott's Hosp	18⅝	18⅝
Seagram	131¼	129⅝
Sears Can	12⅜	12⅝
Shell Can	42⅜	42¾
Sherritt Gordon	8⅛	8
SHL Systemhse	5¼	5½
Southam	16⅛	16⅝
Spar Aerospace	15⅝	15½
Stelco A	6½	6⅛
Teck B	20¼	20⅝
Thomson News	14½	14⅝
Toronto Domn	19⅛	19⅛
Torstar B	24	24
Transalta Util	12⅝	12⅜
TransCda Pipe	16½	16½
Trilon Finl A	20	N.Q.
Trimac	8⅝	N.Q.
Trizec A	12⅜	13
Unicorp A	N.A.	—
Woodward's Ltd	3.20	3.15

TSE 300 Index : 3521.30
Previous : 3517.79

Zurich

	Close	Prev.
Adia Intl	812	817
Alusuisse	1075	1070
Leu Holdings	1730	1740
Brown Boveri	4770	4780
Ciba Geigy	3120	3030
CS Holding	2010	1990
Elektrow	2790	2780
Fischer	1360	1355
Interdiscount	3050	3150
Jacobs Suchard	8580	8500
Jelmoli	1560	1580
Landis Gyr	1140	1145
Moevenpick	3980	4020
Nestle	8490	8510
Oerlikon-B	410	411
Pargesa Hld	1260	1250
Roche Holding B	4980	4980
Safra Republic	88	88
Sandoz	2250	2250
Schindler	5080	5080
Sulzer	465	460
Survelliance	7490	7440
Swissair	760	765
SBC	332	333
Swiss Reinsur	521	516
Swiss Volksbank	1310	1310
Union Bank	3550	3560
Winterthur	3760	3800
Zurich Ins	2050	2040

SBS Index : 627.80
Previous : 623.10

U.S. FUTURES

Via Associated Press Aug. 28

Grains

WHEAT (CBT) 5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
3.26	2.58½	Sep	3.05	3.09	3.02	3.05¼	+.02½
3.25	2.72½	Dec	3.16¼	3.22	3.15½	3.17½	+.01¼
3.70¾	2.79	Mar	3.22	3.26½	3.21½	3.22¼	+.00½
3.31	2.80½	May	3.17	3.20½	3.15½	3.15½	—.02
3.12¾	2.79	Jul	3.07½	3.10½	3.04½	3.04¾	—.02¼
3.19	2.92	Sep	3.14½	3.15½	3.14½	3.13	—.01½

Est. Sales 17,000 Prev. Sales 11,029
Prev. Day Open Int. 50,898 off 905

WHEAT (KCBT) 5,000 bu minimum- dollars per bushel

	Open	High	Low	Close	Chg.
Sep	3.08½	3.12¼	3.08½	3.10	+ .01
Dec	3.15	3.19¼	3.15	3.16	+ .00¾
Mar	3.18½	3.21¼	3.18½	3.18¾	+ .00¼
May	3.15¼	3.15¼	3.14¼	3.14¼	+ .00½
Jul	3.07½	3.07½	3.06	3.06	— .00½

Est.Sales Prv.Sales 5,854 Prev.Day Open Int 39,317 Chg. —114

CORN (CBT) 5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
2.87½	2.18½	Sep	2.50¾	2.53¾	2.49¾	2.50	—.01¾
2.75	2.20	Dec	2.55½	2.58¼	2.54	2.54½	—.01
2.77¼	2.28½	Mar	2.62	2.65¼	2.61¼	2.61½	—.01
2.79½	2.34¾	May	2.66¾	2.69¾	2.65½	2.65¾	—.01¾
2.82	2.39½	Jul	2.69	2.71¾	2.67¾	2.68	—.02
2.65	2.36½	Sep	2.56½	2.57	2.54	2.54	—.02
2.59¾	2.36½	Dec	2.51¾	2.53½	2.50½	2.50¾	—.02

Est. Sales 56,000 Prev. Sales 38,707
Prev. Day Open Int. 211,989 off 2,218

SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
6.54	5.13½	Sep	5.74	5.85½	5.70	5.70½	—.04¼
6.74	5.17	Nov	5.87	5.98	5.82	5.83	—.03¾
6.59	5.27½	Jan	5.97	6.08½	5.93½	5.94½	—.03¼
6.66	5.38	Mar	6.08	6.18	6.04	6.04¼	—.03¾
6.68	5.47	May	6.15	6.25	6.12	6.12¼	—.03¾
6.68	5.62½	Jul	6.21	6.29½	6.18	6.18	—.03
6.60	5.90	Aug	6.22½	6.23	6.15	6.15	—.06
6.28	5.57	Sep	5.99	6.06	5.99	5.98	—.02
6.20¼	5.92	Nov	5.96	6.01½	5.96	5.96	—.02½

Est. Sales 46,000 Prev. Sales 32,285
Prev. Day Open Int. 84,468 up 845

SOYBEAN MEAL (CBT) 100 tons- dollars per ton

Season High	Season Low		Open	High	Low	Close	Chg.
195.20	160.00	Sep	184.70	188.40	184.50	185.90	+.98
195.00	159.90	Oct	182.80	187.40	182.80	184.30	+.70
196.50	160.00	Dec	182.30	187.00	181.80	183.30	+.90
197.00	161.30	Jan	181.50	186.30	181.50	182.60	+.10
1180.00	163.50	Mar	183.50	185.90	181.50	182.60	—.19
194.00	164.50	May	182.20	184.50	181.00	181.20	—1.30
196.80	166.00	Jul	182.00	184.00	180.00	180.50	—.50
184.50	172.50	Aug	183.00	183.00	181.00	181.80	
183.50	173.00	Sep				180.50	—.50

Est. Sales 240,000 Prev. Sales 23,710
Prev. Day Open Int. 58,187 up 1,310

SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.

Season High	Season Low		Open	High	Low	Close	Chg.
25.10	18.37	Sep	19.95	20.28	19.85	19.86	—.10
24.90	18.50	Oct	20.16	20.42	20.01	20.04	—.08
24.05	18.81	Dec	20.56	20.83	20.40	20.41	—.05
24.15	19.00	Jan	20.71	20.96	20.58	20.60	—.08
24.10	19.32	Mar	21.05	21.35	20.92	20.93	—.08
23.90	19.62	May	21.38	21.40	21.38	21.11	—.09
24.30	19.70	Jul	21.55	21.55	21.55	21.36	—.15
22.10	20.05	Aug	21.75	21.75	21.75	21.40	—.11
21.60	21.20	Sep	21.85	21.90	21.85	21.40	—.11
		Oct	21.95	22.00	21.95	21.40	—.11

Est. Sales 19,000 Prev. Sales 18,003
Prev. Day Open Int. 72,296 up 1,200

Livestock

CATTLE (CME) 40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
76.90	68.62	Oct	70.45	70.55	69.70	69.95	—1.10
77.00	71.15	Dec	73.50	73.50	72.75	73.07	—1.00
76.70	[illegible]	Feb	72.25	72.22	71.40	72.05	—.45
77.00	72.10	Apr	73.00	73.20	72.55	72.95	—.20
75.15	70.25	Jun	71.00	71.10	70.50	70.92	—.25
72.60	69.57	Aug	69.50	69.65	69.40	69.40	—.20

Est. Sales 26,419 Prev. Sales 15,348
Prev. Day Open Int. 73,234 up 2,067

FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
90.15	80.20	Aug	87.25	87.20	86.92	87.15	—.20
88.95	79.75	Sep	85.00	85.00	83.90	84.15	—.95
88.30	80.20	Oct	83.90	83.85	82.80	83.15	—.92
88.10	80.90	Nov	83.40	83.40	82.45	82.50	—.87
87.80	80.80	Jan	83.15	83.15	82.30	82.45	—.70
87.10	80.27	Mar	82.30	82.30	81.70	81.70	—.60
87.00	79.95	Apr	81.50	81.90	81.50	81.35	—.60
86.50	78.95	May	81.15	81.15	80.40	80.50	—.50

Est. Sales 3,619 Prev. Sales 2,289
Prev. Day Open Int. 13,456 off 159

HOGS (CME) 40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
49.55	42.05	Oct	44.30	44.37	43.72	43.95	—.47
48.92	42.00	Dec	44.08	44.40	43.42	43.65	—.60
48.25	41.60	Feb	43.40	43.40	43.02	43.30	—.30
46.67	40.70	Apr	41.90	41.90	41.70	41.82	—.23
50.60	45.55	Jun	45.85	45.85	45.85	45.90	—.05
48.20	45.60	Jul	46.02	46.02	46.02	46.02	.05
46.85	44.47	Aug				44.45	—.02

Est Sales Prev. Sales 3,477
Prev. Day Open Int. 14,705 up 165

PORK BELLIES (CME) 40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
63.00	43.80	Feb	47.80	48.05	47.02	47.80	—.90
61.00	43.00	Mar	47.20	47.50	46.60	47.20	—1.05
58.20	44.50	May	48.10	48.15	47.70	48.00	—1.10
57.00	44.90	Jul	47.90	47.90	47.50	48.10	.05
51.00	42.55	Aug				45.10	

Est. Sales 3,074 Prev. Sales 3,244
Prev. Day Open Int. 6,788 off 159

Food

COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
113.50	77.60	Sep	84.00	84.70	83.55	84.20	—.30
116.00	81.40	Dec	87.30	87.95	86.60	87.45	+.05
107.50	85.00	Mar	90.65	91.40	90.80	90.90	
108.00	87.40	May	93.10	93.30	93.00	93.70	+.30
108.00	90.50	Jul				96.10	+.30
108.00	92.25	Sep	98.80	98.00	98.00	98.70	—.30
103.25	98.00	Dec				103.00	—.50

Est. Sales 4,910 Prev. Sales 7,212
Prev. Day Open Int. 38,973 up 212

SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
14.40	7.45	Oct	8.93	9.00	8.77	8.91	+.03
10.14	7.56	Mar	8.42	8.45	8.29	8.41	+.07
9.77	7.65	May	8.29	8.37	8.25	8.34	+.06
9.05	7.80	Jul	8.26	8.34	8.26	8.31	+.04
9.00	7.93	Oct	8.22	8.28	8.31	8.32	+.02

Est. Sales 16,859 Prev. Sales 12,318
Prev. Day Open Int. 102,380 off 17

COCOA (NYCSCE) 10 metric tons- $ per ton

Season High	Season Low		Open	High	Low	Close	Chg.
1515	893	Sep	1015	1030	1015	1025	+3
1533	953	Dec	1066	1086	1060	1072	+3
1528	997	Mar	1118	1134	1118	1123	+6
1385	1026	May	1145	1160	1145	1152	+6
1385	1086	Jul				1178	+6
1256	1080	Sep				1202	+5
1280	1119	Dec				1233	+5
1320	1272	Mar				1270	+4
1336	1210	May				1295	+6
1352	1294	Jul				1321	+10

Est. Sales 2,673 Prev. Sales 3,253
Prev. Day Open Int. 49,950 off 16

ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
127.00	106.00	Sep	119.10	119.80	119.05	119.75	+.55
121.00	111.00	Nov	117.00	117.70	116.95	117.50	+.80
128.50	112.65	Jan	115.00	115.50	115.00	115.30	+.45
120.00	113.60	Mar	116.50	116.50	116.10	116.40	+.40
120.00	115.00	May	117.00	117.00	117.00	117.35	+.60
119.00	115.25	Jul	117.25	117.25	117.00	117.35	+.60
		Sep				117.35	+.60
		Nov				117.35	+.60
		Jan				117.35	+.60

Est. Sales 1,300 Prev. Sales 441
Prev. Day Open Int. 6,983 up 148

Metals

HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
109.00	96.10	Aug	104.20	104.30	103.90	104.30	+.90
110.50	9.20	Sep	103.40	103.70	102.90	103.65	+.75
106.90	95.30	Oct	102.80	103.20	102.55	103.15	+.65
105.00	95.10	Nov	102.40	102.85	102.40	102.95	+.75
108.50	94.50	Dec	102.35	102.75	101.90	102.65	+.80
104.50	95.60	Jan	101.40	101.70	101.50	102.10	+.75
105.10	95.00	Feb	101.15	101.15	101.00	101.50	+.65
104.80	92.90	Mar	100.40	100.80	100.20	100.95	+.65
98.10	93.50	Apr	100.00	100.00	100.00	100.40	+.65
106.20	93.30	May	99.40	99.60	99.25	99.95	+.65
97.70	95.10	Jun	99.00	99.00	99.00	99.55	+.65
103.80	92.80	Jul	98.75	98.80	98.70	99.20	+.65
103.45	92.80	Sep	98.20	98.35	98.20	98.60	+.65
100.50	91.60	Dec	97.50	97.60	97.45	97.80	+.65
95.80	2.50	Jan				97.40	+.65
96.65	92.80	Mar				97.00	+.65
93.70	93.70	May				96.60	+.65

Est. Sales 13,000 Prev. Sales 12,265
Prev. Day Open Int. 32,704 off 594

SILVER (COMEX) 5,000 troy oz.- cents per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
446.0	388.0	Aug	392.5	392.5	391.5	392.2	+1.2
654.0	367.5	Sep	394.0	394.0	391.5	392.3	+1.0
398.0	398.0	Oct				394.1	+.9
623.5	374.0	Dec	400.0	401.0	397.5	398.0	+.9
596.0	399.0	Jan				400.3	+.9
613.0	382.0	Mar	408.5	408.5	405.8	405.5	+.9
589.0	385.0	May	409.5	410.0	409.5	411.1	+.9
557.0	395.0	Jul				414.6	+.8
483.0	412.0	Sep	420.0	420.0	420.0	419.3	+.7
507.0	408.0	Dec	428.0	428.0	428.0	426.7	+.6
505.0	440.0	Jan				429.4	+.6
513.0	434.0	Mar				434.6	+.6
473.8	440.0	May				440.5	+.6

Est. Sales 17,000 Prev. Sales 19,450
Prev. Day Open Int. 93,664 up 868

PLATINUM (NYME) 50 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
513.00	330.00	Oct	341.00	341.80	338.20	341.50	+8.00
451.50	334.50	Jan	344.50	345.50	342.50	345.80	+8.20
438.50	339.50	Apr	348.00	351.80	346.50	349.50	+8.20
427.50	342.00	Jul	351.00	354.00	351.00	353.50	+8.20
404.00	355.00	Oct				360.50	+8.20

Est. Sales 2,925 Prev. Sales 1,693
Prev. Day Open Int. 19,323 up 408

PALLADIUM (NYME) 100 troy oz- dollars per oz

Season High	Season Low		Open	High	Low	Close	Chg.
119.40	77.50	Sep	82.00	82.00	81.50	81.70	+1.10
114.50	78.00	Dec	83.00	83.40	82.50	83.05	+1.65
135.75	80.30	Mar	83.50	83.50	83.00	84.05	+2.05
101.75	86.50	Jun				85.55	+2.05

Est. Sales 785 Prev. Sales 1,036
Prev. Day Open Int. 4,341 up 13

GOLD (COMEX) 100 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
448.00	333.90	Aug	354.40	355.90	354.40	353.90	—.50
375.00	352.00	Sep				354.30	—.50
476.00	354.00	Oct	357.80	357.80	354.50	355.60	—.40
483.00	357.10	Dec	360.90	361.10	357.70	358.90	—.60
456.50	360.70	Feb	362.50	362.50	361.80	362.00	—.70
446.00	364.10	Apr	367.20	367.20	367.20	365.00	—.70
467.80	368.00	Jun				368.10	—.80
426.50	370.30	Aug				371.30	—.90
410.80	377.00	Oct				374.30	—1.00
406.80	378.00	Dec	378.50	378.50	378.50	377.50	—1.10
404.20	404.20	Feb				381.00	—1.10
410.00	388.50	Apr				384.30	—1.20
411.80	388.00	Jun				387.80	—1.20

Est. Sales 18,000 Prev. Sales 14,388
Prev. Day Open Int. 99,153 up 135

Financial

US T. BILLS (IMM) $1 million- pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg.
95.12	91.60	Sep	94.65	94.74	94.64	94.73	+.09
95.20	92.24	Dec	94.60	94.72	94.60	94.70	+.10
95.20	93.42	Mar	94.63	94.73	94.63	94.70	+.11
94.65	93.15	Jun				94.45	+.16
94.08	93.87	Sep				94.02	+.12

Est. Sales Prev. Sales 8,476
Prev. Day Open Int. 51,206 off 18

5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
103.200	98.275	Sep	102.075	102.195	102.075	102.185	+.125
102.150	98.190	Dec	101.170	101.300	101.170	101.285	+.115
99.290	99.250	Mar	101.020	101.085	101.020	101.085	+.795

Est. Sales Prev. Sales 17,466
Prev. Day Open Int. 86,791 up 1,020

10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
101-16	96-1	Sep	100-8	100-27	100-7	100-24	+18
100-24	95-15	Dec	99-19	100-5	99-17	100-4	+19
99-19	95-6	Mar	99	99-16	99	99-16	+19
98-13	98-11	Jun				98-29	+19

Est. Sales Prev. Sales 19,294
Prev. Day Open Int. 100,461 up 1,123

US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)

Season High	Season Low		Open	High	Low	Close	Chg.
99-5	85-29	Sep	97-13	98-6	97-8	98-4	+27
98-20	85-19	Dec	96-20	97-13	96-16	97-11	+27
98-13	85-14	Mar	95-24	96-20	95-24	96-19	+26
97-19	85-3	Jun	95-5	95-27	95-5	95-27	+25
95-8	87-14	Sep	94-22	95-6	94-22	95-6	+24
94-20	85-6	Dec	93-29	94-20	93-29	94-20	+23
94-26	90-16	Mar	93-23	94-4	93-23	94-4	+22
92-29	90-22	Jun				93-20	+21
91	90	Sep				93-5	+20
		Dec				92-23	+19
90-7	90	Mar				92-10	+18

Est. Sales Prev. Sales 143,434
Prev. Day Open Int. 310,136 off 9,794

MUNICIPAL BONDS (CBT) $1000x index- pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
93-26	84-7	Sep	93-9	93-24	93-9	93-22	+13
93	88-16	Dec	92-9	92-30	92-9	92-26	+18
92-10	88	Mar				92-12	+18

Est. Sales Prev. Sales 1,372
Prev. Day Open Int. 7,282 up 253

EURODOLLARS (IMM) $1 million- pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg.
94.48	90.04	Sep	94.25	94.34	94.23	94.33	+.09
94.22	90.04	Dec	93.94	94.10	93.94	94.09	+.15
94.23	90.09	Mar	93.96	94.11	93.95	94.11	+.16
93.90	90.35	Jun	93.63	93.81	93.63	93.80	+.18
93.45	90.32	Sep	93.18	93.34	93.17	93.33	+.14
92.97	90.24	Dec	92.63	92.75	92.63	92.75	+.12
92.77	90.28	Mar	92.54	92.65	92.53	92.64	+.11
92.50	90.27	Jun	92.26	92.37	92.26	92.36	+.10
92.24	90.27	Sep	92.01	92.11	92.00	92.09	+.09
91.93	90.22	Dec	91.70	91.80	91.70	91.79	+.09
91.94	90.36	Mar	91.72	91.82	91.72	91.81	+.09
91.84	90.40	Jun	91.62	91.71	91.62	91.71	+.09
91.70	90.36	Sep	91.51	91.57	91.51	91.57	+.06
91.49	90.71	Dec	91.33	91.36	91.33	91.36	+.06
91.52	90.71	Mar	91.33	91.39	91.33	91.39	+.06
91.45	90.71	Jun	91.29	91.32	91.29	91.32	+.06

Est. Sales Prev. Sales 107,591
Prev. Day Open Int. 895,807 up 1,087

BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
1.9340	1.5824	Sep	1.6708	1.6886	1.6696	1.6836	+86
1.7900	1.5670	Dec	1.6510	1.6690	1.6502	1.6632	+82
1.6700	1.5670	Mar				1.6466	+76

Est. Sales Prev. Sales 6,266
Prev. Day Open Int. 19,730 off 213

CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.8750	.7985	Sep	.8749	.8760	.8747	.8756	+9
.8692	.8175	Dec	.8690	.8700	.8688	.8698	+10
.8638	.8268	Mar	.8648	.8648	.8640	.8646	+10
.8585	.8330	Jun	.8600	.8600	.8586	.8594	+10
.8525	.8420	Sep				.8546	+10

Est. Sales Prev. Sales 2,790
Prev. Day Open Int. 27,955 up 1,145

GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.6810	.5401	Sep	.5683	.5755	.5680	.5737	+36
.6770	.5365	Dec	.5632	.5707	.5630	.5687	+35
.5840	.5353	Mar	.5588	.5610	.5588	.5640	+33
.5610	.5322	Jun	.5598	.5590	.5590	.5597	+31

Est. Sales Prev. Sales 17,809
Prev. Day Open Int. 73,063 off 813

JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001

Season High	Season Low		Open	High	Low	Close	Chg.
.007870	.007003	Sep	.007290	.007320	.007289	.007309	+14
.007599	.006997	Dec	.007265	.007292	.007263	.007283	+13
.007315	.007000	Mar	.007258	.007258	.007258	.007270	+10
.007281	.007150	Jun	.007279	.007279	.007279	.007266	+8
		Sep	.007280	.007280	.007280	.007267	+6

Est. Sales Prev. Sales 7,067
Prev. Day Open Int. 53,344 up 897

SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.8055	.6254	Sep	.6530	.6594	.6533	.6577	+24
.8090	.6240	Dec	.6501	.6568	.6498	.6540	+24
.6995	.6267	Mar				.6513	+23

Est. Sales Prev. Sales 11,406
Prev. Day Open Int. 34,593 off 241

Industrials

COTTON 2 (NYCE) 50,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
83.20	62.30	Oct	66.30	66.15	65.28	66.03	+1.11
74.35	63.51	Dec	66.20	66.74	65.90	66.52	+.74
77.15	64.65	Mar	67.15	67.75	67.09	67.57	+.62
92.25	65.10	May	67.70	68.30	67.70	68.20	+.66
77.70	66.50	Jul	68.80	68.85	68.75	68.75	+.62
70.60	66.75	Oct	67.20	67.20	67.20	67.50	+.55
69.00	65.65	Dec	66.95	67.60	66.95	67.18	+.35

Est. Sales 5,500 Prev. Sales 3,704
Prev. Day Open Int. 38,074 off 158

HEATING OIL (NYME) 42,000 gal- cents per gal

Season High	Season Low		Open	High	Low	Close	Chg.
84.28	50.25	Sep	62.00	62.50	61.95	62.24	+.04
85.00	51.30	Oct	63.00	63.50	62.90	63.12	+.01
78.00	52.30	Nov	64.10	64.45	63.95	64.09	—.06
82.67	53.30	Dec	65.00	65.35	64.80	65.00	—.05
69.10	53.40	Jan	65.15	65.40	65.00	65.21	—.07
67.30	52.25	Feb	63.70	63.80	63.50	63.64	—.07
64.50	51.40	Mar	61.15	61.30	61.00	61.11	—.07
61.80	50.00	Apr	58.80	58.80	58.80	58.91	—.07
59.90	48.25	May	57.35	57.35	57.35	57.41	—.07
58.50	48.00	Jun	56.40	56.45	56.40	56.41	—.02
58.30	51.60	Jul	56.00	56.05	56.00	56.06	+.03
56.05	52.75	Aug	56.58	56.58	56.58	56.71	+.03
59.70	53.75	Sep				57.71	+.03
56.90	56.50	Oct				58.61	+.03
		Nov				59.51	+.03
		Dec				60.41	+.03

Est. Sales 24,974 Prev. Sales 20,113
Prev. Day Open Int.

CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.

Season High	Season Low		Open	High	Low	Close	Chg.
28.40	17.04	Oct	21.91	21.94	21.70	21.74	—.24
28.10	17.20	Nov	21.82	21.84	21.62	21.66	—.22
27.70	17.10	Dec	21.73	21.73	21.54	21.58	—.19
27.60	17.25	Jan	21.60	21.60	21.45	21.47	—.18
27.00	17.50	Feb	21.47	21.48	21.35	21.35	—.17
26.75	17.25	Mar	21.31	21.31	21.21	21.20	—.17
26.50	17.30	Apr	21.14	21.14	21.09	21.06	—.16
24.60	17.30	May	21.03	21.03	21.03	20.94	—.15
24.50	17.70	Jun				20.84	—.15
22.11	17.90	Jul	20.80	20.80	20.80	20.76	—.14
21.33	17.75	Aug	20.74	20.74	20.74	20.71	—.14
24.00	17.78	Sep				20.70	—.14
21.35	18.85	Oct				20.70	—.14
21.40	19.80	Nov				20.71	—.14
24.00	18.25	Dec				20.73	—.13
20.91	20.10	Jan				20.74	—.13
20.91	20.50	Feb				20.75	—.13
21.26	18.51	Mar				20.76	—.13
21.35	19.90	Jun				20.82	—.12
		Sep				20.88	—.12

Est. Sales 51,190 Prev. Sales 38,832
Prev. Day Open Int. 254,626 up 1,046

UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal

Season High	Season Low		Open	High	Low	Close	Chg.
87.00	51.60	Sep	66.25	66.30	65.15	65.34	—1.45
86.75	49.75	Oct	63.50	63.50	62.60	62.69	—1.13
66.75	48.60	Nov	61.30	61.40	60.75	60.94	—.62
75.25	47.75	Dec	59.45	59.70	59.40	59.65	—.21
61.60	47.00	Jan	58.90	59.00	58.75	58.90	—.17
61.35	50.70	Feb	59.20	59.20	58.85	59.05	—.15
62.60	50.50	Mar	60.25	60.25	60.15	60.30	—.05
66.40	57.30	Apr	64.50	64.50	64.35	64.20	
63.80	57.30	May				63.40	
62.50	58.00	Jun				62.45	
63.00	58.40	Jul				61.30	
59.10	58.00	Aug				60.05	

Est. Sales 28,699 Prev. Sales 28,873
Prev. Day Open Int. 89,118 up 3,211

Stock Indexes

SP COMP. INDEX (CME) points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
396.90	304.00	Sep	394.40	397.95	392.90	396.80	+2.25
399.40	321.75	Dec	397.10	400.75	396.90	399.70	+2.30
401.05	380.00	Mar	399.90	402.60	399.90	402.45	+2.25
400.40	392.50	Jun				405.55	+2.25

Est. Sales Prev. Sales 31,482
Prev. Day Open Int. 153,683 up 622

NYSE COMP. INDEX (NYFE) points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
217.25	173.10	Sep	215.95	218.00	215.70	217.35	+1.30
218.50	175.50	Dec	217.20	219.25	217.05	218.70	+1.25
219.05	207.30	Mar	218.45	219.90	218.45	220.05	+1.25
218.20	208.90	Jun				221.40	+1.25

Est. Sales Prev. Sales 4,371
Prev. Day Open Int. 6,136 off 174

Commodity Indexes

	Close	Previous
Moody's	1,024.80	1,022.10
Reuters	1,658.50	1,657.80
Dow Jones Futures	122.25	122.18
Comm. Research	210.73	210.68

NASDAQ

Wednesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Volvo Net Plunges On Reduced Sales

Reuters

STOCKHOLM — The Swedish carmaker Volvo AB said Wednesday that net profit fell 43 percent to 1.16 billion kronor ($182 million) in the first half of 1991.

But the results were aided by 1.64 billion kronor in share sales that masked an operating loss of 559 million kronor.

Group sales fell by 5 percent, after adjustments for divestments, to 37.94 billion kronor.

Christer Zetterberg, president, said an operating profit in the third quarter of 1991 was unlikely despite a lower operating loss for the second quarter.

"Don't count on positive figures already in the third quarter, it is unlikely," Mr. Zetterberg said.

He said Volvo seemed to have neared the bottom in terms of sales volume. "The curve is not sinking any more," he said.

The first-half profit figure after financial items was in line with analysts' expectations, but they said Volvo must stop its operating losses to improve cash flow.

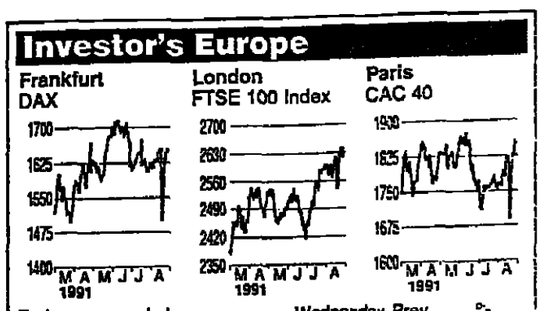
Volvo's operating loss narrowed in 1991's second quarter to 162 million kronor from 397 million kronor in the first, due mainly to lower losses in the car division, Volvo said in a statement.

The company said a cost-cutting program aimed at saving 3 billion kronor yearly by the end of 1991 had by June 31 reached 1.7 billion kronor in annual savings and would have an increasing impact later in the year.

It said it will have cut 8,000 jobs between July 1990 and the end of 1991, 1,000 more than earlier announced.

Volvo said its sales in North America had fallen 16 percent, outstripping the market's overall decline of 12 percent.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	91.30	91.20	+0.11
Brussels	Stock Index	5,640.32	5,640.15	+0.00
Frankfurt	DAX	1,647.50	1,647.12	+0.02
Frankfurt	FAZ	685.70	685.43	+0.04
Helsinki	HEX	974.40	976.60	-0.23
London	Financial Times 30	2,055.00	2,053.30	+0.09
London	FTSE 100	2,624.20	2,619.80	+0.17
Madrid	General Index	271.90	272.74	-0.31
Milan	MIB	1,066.00	1,071.00	-0.47
Paris	CAC 40	1,851.83	1,849.67	+0.12
Stockholm	Affarsvarlden	1,084.80	1,086.90	-0.19
Vienna	Stock Index	518.97	520.78	-0.35
Zurich	SBS	627.80	625.10	+0.43

Sources: Reuters, AFP

Renault Earnings Drop As Competition Bites

Compiled by Our Staff From Dispatches

PARIS — France's state-owned carmaker Renault said on Wednesday that stiff competition in European and U.S. markets helped cut its pretax profit by 65 percent in the first half.

Consolidated pretax profit slumped to 962 million francs ($162 million) in the first six months, from 2.78 billion francs a year earlier. Operating profit plunged to 1.52 billion francs from 4.2 billion.

Sales fell 4.8 percent to 83.23 billion francs, excluding the company's operations in Argentina. If Argentine results were excluded from the 1990 results, the fall would have been 3.6 percent.

The company blamed the drop in operating profit on "the worsening of car competition in Europe, especially in markets hit by a strong drop in sales, such as France, Britain and Spain."

Overall car sales stood up fairly well, down 1 percent at 67.17 billion francs, but truck sales plunged 14 percent to 13.51 billion.

The company said its partner, Sweden's Volvo AB, contributed 22 million francs to its pretax profit in the first half. (Reuters, AFP)

2 Italian Brokers Declare Insolvency

Reuters

MILAN — An alleged 85 billion lire ($65 million) stock fraud claimed its first victims on Wednesday when two Italian stockbrokers declared themselves insolvent because of the affair.

The brokers failed to meet a Wednesday deadline for delivering stock traded during the August accounting month, according to statements by stockbroker associations in Milan and Turin.

The scandal has rocked the Milan exchange and reduced trading to a trickle since the Swiss-based Banque Dumenil Leblé said at the weekend it had been the victim of a fraud involving Italian stocks.

Dumenil said 85 billion lire of stock deposited with it in recent months by four Italian investors had been transferred illicitly and were no longer in its possession.

Studio Adorno, a brokerage firm that had deposited more than 50 billion lire of stock with the bank, said it had been forced to declare itself insolvent as it had neither the stock nor the cash to meet commitments.

A Turin broker, Montalcini, also declared itself insolvent with 18 billion lire outstanding.

Brent Walker Requests a Fraud Investigation

Compiled by Our Staff From Dispatches

LONDON — Brent Walker Group PLC, the debt-ridden leisure concern, said Wednesday that it had called in the Serious Fraud Office, but did not disclose the reason for the investigation.

A spokeswoman for the fraud office confirmed it would be investigating "certain aspects of the affairs of the group and its associated companies," after being called in by Brent Walker's executives.

The inquiry is the latest blow to the troubled company that owns pubs, marinas and the William Hill betting-shop chain, and is currently negotiating a rescue package to refinance its £1.5 billion ($2.5 billion) debt with a group of 47 banks.

In May, Brent Walker's founder, George Walker, a former boxer and boxing manager, was ousted as chief executive in May after the company's creditors called for a management shake-up.

In a brief statement reporting the investigation, Brent Walker's chairman, Lord Kindersley, said the investigation would not affect the current operations of the group and was not expected to interfere with the refinancing operation.

The fraud office has not disclosed the nature of its inquiry, but said it could start investigations if there are suspicions that fraud put more than £2 million at risk; if the facts or law concerning an alleged fraud were complex; or if it was a situation of great public concern or interest.

Mr. Walker said he had been unaware of any fraud office involvement before the announcement. (UPI, AFP)

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Wilsivan Tephan 12 years. Her favorite subject is her language.
Sibusiso Gisel Cele 7 years. He builds toy cars.
Yong Praserkit 10 years. She's the fastest runner in her class.
Hlengiwe Ngcobo 9 years. She builds sand castles.
Carlos Ruiz C. 11 years. He's number one in math.
Nankosa Daughlas Mseke 10 years. He's a good swimmer.
Zandile Ntusi 6 years. She likes to paint and work with her hands.
Juan Manuel Alvarado 5 years. He enjoys homemade toys.
Sandile Cosmas Cele 8 years. He enjoys acting.
Frank Robinson A. 8 years. Reading and writing are his favorite hobbies.
Mbalenhle Cynthia Gumede 7 years. She and her friends put on plays.
Neung Seokhkeet 12 years. Sociology is her favorite subject.
Godfrey Thamsanqa Mkhali 14 years. He writes poetry.
Abraham Garcia P. 12 years. He's a very good goal-keeper.
Maliwan Banlen 8 years. She runs faster than all the others.
Sibindile Shoba 5 years. She carves and paints wooden dolls.

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Phone Fraud Rings Alarm Bells in U.S.

By Edmund L. Andrews
New York Times Service

NEW YORK — A growing epidemic of telephone fraud is leaving companies and other organizations with bills for hundreds of thousands of dollars of calls they did not make, and is forcing users of sophisticated phone equipment to scramble for better ways to lock out high-technology phone thieves.

The U.S. industry has long been plagued by people who found ways to tap into phone company lines or who used stolen credit-card numbers to make calls without paying.

The latest wave is being carried out by people who break into the computerized systems that organizations use to route calls and manage their telephone lines.

The thieves often obtain the necessary codes for entering the systems from employees inside a company, rummaging through its trash or by experimenting with various combinations of numbers.

The new form of electronic theft has surged in recent years, in part because the long-distance telephone companies have tightened security over their own networks.

In search of easier targets, intruders have shifted their focus to office systems known as PBXs, or private branch exchanges.

"It is by far the largest segment of communications fraud," said Rami Abuhamdeh, a consultant who until recently was executive director of the Communications Fraud Control Association. "You have all this equipment just waiting to answer your calls, and it is being run by people who are not in the business of securing telecommunications."

Mitsubishi International Corp. reported losing $430,000 last summer, mostly from calls to Egypt and Pakistan. Procter & Gamble Co. lost $300,000 in 1988. The New York City Human Resources Administration lost $529,000 in 1987.

The Secret Service, which investigates such telephone crime, says it is now receiving three to four formal complaints every week, and is adding more telephone specialists.

> **Thieves operate pirate long-distance companies catering to immigrants and drug dealers.**

Some victims have tried to make the phone companies or the equipment makers shoulder the costs, but they have had little success.

In its only ruling on the issue thus far, the Federal Communications Commission decided in May that the long-distance carrier was entitled to collect the bill for illegal calls from the company that was victimized.

In the closely watched Mitsubishi case filed in June, the company sued AT&T for $10 million, arguing that AT&T had made the equipment through which outsiders entered Mitsubishi's phone system and had been paid to maintain the equipment.

Phone-service theft, once used mostly by computer hackers, is increasingly being used to operate pirate telephone companies. The pirate operations charge customers $5, $10 or $20 apiece to make calls anywhere in the world. They are run from public telephone booths and from individual apartments.

In many cases, authorities say, the telephone bandits market their stolen long-distance service to immigrants who want to call home cheaply. Drug dealers, interested in concealing their international calls, are also believed to be big customers.

Once the intruders locate a company's PBX or voice-mail system, they proceed to figure out the access codes that will allow them to obtain outbound long-distance lines.

In many systems, the principal target for hackers is the feature that is intended to allow employees to obtain a long-distance line from outside the office. The appeal of this feature is that calling a company's own PBX is cheaper than using telephone credit cards.

Voice-mail systems, which act like answering machines for an entire office, have other weaknesses. Experts say even those that are not intended to provide remote access can be manipulated to offer outside lines.

Innovative Process Turns Waste Plastic Into Fuel

By John Holusha
New York Times Service

WARREN, Michigan — As complex plastics increasingly replace metals in cars and appliances, recycling these products becomes a larger problem. Attention is turning to a high-temperature process called pyrolysis that breaks down plastics into burnable oil and gas.

Automakers and plastics suppliers hope to demonstrate within a few years that this technique has great commercial potential.

Environmental advocates question whether pyrolysis is truly recycling, but backers of the technique say it is far better than throwing the plastic away.

Pyrolysis breaks materials down by heating them in the absence of air. Because no oxygen is present, plastics and rubber left over from cars do not burn, as they would in an incinerator.

Instead, the heat, about 1,300 degrees Fahrenheit (705 degrees Celsius), breaks the complex hydrocarbons down into simpler molecules, producing a liquid resembling heating oil and a combustible gas, along with some ash.

Because nothing except the fuel for the pyrolysis reactor is burned, the technique may cause less air pollution than incinerators.

But if the gas produced by pyrolysis is used to heat the reactor once it reaches operating temperature, as most plans envision, pollution will result from plastic and rubber that contain chlorine or sulfur, said Raymond Machacek, of A.D. Little, a consulting firm.

Vinyl plastics contain chlorine, and sulfur is used in the vulcanization of rubber. The chlorine and sulfur atoms tend to form hydrochloric and sulfuric acids, which are toxic, Mr. Machacek said.

The growing amount of plastic in automobiles causes grumbling among metal recyclers, because it results in more worthless material that must be disposed of in landfills, at additional cost.

Unlike plastic soda bottles, which can easily be reprocessed, most of the plastics left after cars are shredded and the metals extracted are composites of materials that have been further contaminated by paint and adhesives.

"Very often you will have incompatible plastics glued together," said Richard L. Klimisch, an environmental specialist at General Motors Corp.'s technical center.

In addition, many of the plastics are of a type known as thermosets, which cannot be melted down and used again, like the material in soda bottles.

A car on exhibit at the technical center, cut away to display new sound-deadening insulation materials, also inadvertently illustrates how difficult these new materials might be to recycle. Several of the insulating materials are simply labeled, "Complex blend of various stuff."

Researchers at the GM technical center are running perhaps the largest pyrolysis trials, but an association that includes several major plastic and rubber makers, including Goodyear Tire & Rubber, Dow Chemical, Eagle-Picher, Allied-Signal and Owens-Corning Fiberglas, is also experimenting with the technique.

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AMEX

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

India's New Policies Pay Off With IBM

Reuters

NEW DELHI — International Business Machines Corp. is set to return to India, teaming up with the country's biggest private firm, the Tata Group, to make hardware and software, officials and diplomats say.

The joint venture is among the first to be considered by a new unit in the office of Prime Minister Narasimha Rao, which was set up last week to woo multinational firms to cash-strapped India, a top aide to Mr. Rao said Wednesday.

"They have yet to make a formal application. We're expecting it in the next few days," he said.

A spokesman for the Tata Group in New Delhi said: "I think it's premature to comment. There is no formal proposal as yet."

Mr. Rao's aide said the IBM-Tata project calls for the companies to each put up 26 million rupees ($10 million) as an initial investment. IBM's contribution would be in foreign exchange, of which India is in desperate need these days. Total investment under the project would be 1 billion rupees.

The project would manufacture IBM's entire range of microcomputer systems and software, and would include a research and development center. The project would also manufacture components for IBM's plant in Singapore, the aide said.

Under the new policy announced last month, India has again allowed foreign companies majority equity in joint ventures and promised speedy approval for high-technology and export-oriented projects.

IBM's return to India would "send a strong political signal to the rest of the world that the government means business with its new foreign investment policy," a Western diplomat said.

India attracted less than $100 million in direct foreign investment last year.

Cathay Pacific Net Falls But Outlook Brightens

Compiled by Our Staff From Dispatches

HONG KONG — Cathay Pacific Airways, Hong Kong's flag carrier, announced Wednesday a sharp drop in half-year profit that reflected the Gulf war and a flat world economy, but analysts said the outlook was much brighter.

Cathay reported a 21.7 percent drop in its net profit for the six months to June 30, to 1.11 billion Hong Kong dollars ($143 million) from 1.42 billion in the first half of 1990, and forecast the full-year result could fall short of 1990.

The airline warned that higher operating costs and a slow passenger-load recovery would pressure profit for the remainder of the year. Cathay said it carried 3.5 million passengers in the first six months, off 9.4 percent from the same period last year.

Apart from the Gulf war, which hurt airlines worldwide, Hong Kong's high inflation rate and increased fuel costs also hurt.

Anne Gardini, an analyst at the James Capel brokerage, said the result came as no surprise. "It's not a shock. I think you've got to write off 1991," she said, adding: "I expected a sharper drop. They're actually quite encouraging because they show they were able to maintain some decent levels of passenger traffic over the first half."

She forecast the 1991 profit would be within 5 percent of last year's result. *(Reuters, UPI)*

Currency Losses and R&D Depress Profit at Toyota

Compiled by Our Staff From Dispatches

TOKYO — Toyota Motor Corp. on Wednesday blamed foreign-exchange losses as well as labor and research-and-development costs for a sharper-than-expected decline in annual earnings, the company's first decline in four years.

Vice President Shohei Kurihara said parent company earnings were expected to remain flat in the current year, while overall vehicle sales were expected to fall, led by a sharp decline in exports.

The company, the world's third-largest carmaker and Japan's biggest, said consolidated current profit fell 15.3 percent in the year ended June 30, to 710 billion yen ($5.19 billion), while current profit at the parent company slumped 21.7 percent to 574 billion yen. Current profit is the pretax measure that analysts watch most closely.

Consolidated net profit slipped 2.2 percent to 432 billion yen; parent net fell 8.6 percent to 330 billion. Group sales grew 7.2 percent to 9.855 trillion yen, and parent sales rose 7.1 percent to 8.56 trillion.

"The drop in current profits is mainly due to lower-than-expected sales both here and abroad," said Hiroshi Okuda, a senior managing director.

Officials also said Toyota would purchase 25 percent more U.S.-made parts and equipment next year. They said the company was seeking to cut shipping costs. *(AFP, Reuters)*

France Joins Aussat Bidding

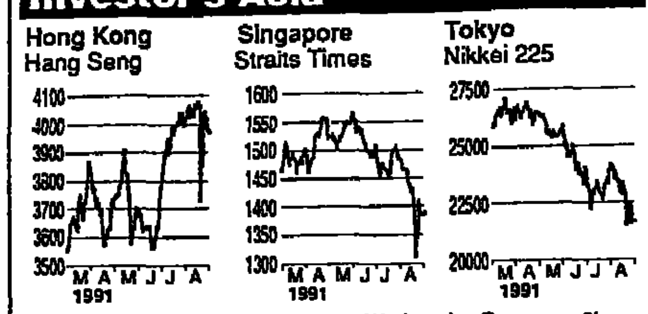
Agence France-Presse

CANBERRA — France Telecom announced Wednesday that it had joined one of two consortiums bidding for Australia's satellite carrier, Aussat, and the right to set up Australia's second phone company.

The French telecommunications carrier said it had taken a 10 percent interest in Kalori Communications Group, a consortium of Ameritech and Bell Atlantic of the United States and Hong Kong-based Hutchison Telecoms.

A Kalori director, David Frost, said France Telecom's decision strengthened Kalori's bid against its rival, Optus Communications.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3,968.14	3,981.96	-0.35
Singapore	Straits Times	1,390.20	1,383.12	+0.51
Sydney	All Ordinaries	1,541.20	1,540.10	+0.07
Tokyo	Nikkei 225	21,621.63	21,641.00	-0.09
Kuala Lumpur	Composite	535.38	538.60	-0.60
Bangkok	SET	684.77	683.35	+0.21
Seoul	Composite Stock	692.28	690.34	+0.28
Taipei	Weighted Price	4,352.92	4,411.60	-1.33
Manila	Composite	1,025.99	1,005.23	+2.07
Jakarta	Stock Index	313.93	313.68	+0.08
New Zealand	NZSE-40	1,417.50	1,404.40	+0.93
Bombay	National Index	N.A.	863.00	-

Sources: Reuters, AFP International Herald Tribune

APEC's Chinese Solution

Agence France-Presse

SEOUL — China, Hong Kong and Taiwan will join the Asia-Pacific Economic Cooperation conference in November, having agreed to a formula that settled their differences, APEC officials said Wednesday.

The entrance of the three economies into the regional grouping had been delayed by Beijing's insistence on having Taiwan and Hong Kong join separately and with a lesser status. The British colony reverts to Chinese rule in 1997 and both Beijing and Taipei agree that the nationalist-run island is part of China.

Diplomats said Taiwan would be called Chinese Taipei and would not be represented at foreign-minister level but by lesser officials. Details of Hong Kong's membership in APEC were not revealed.

Hong Kong Firm in Saigon Port Deal

Agence France-Presse

HANOI — Hong Kong International Terminals Ltd. and Saigon Port have launched a $10.5 million joint venture to expand the cargo-handling capacity of the southern Vietnamese port, an official publication reported Wednesday.

Market and Price, the State Price Commission's bulletin, said the Hong Kong company, which put up 60 percent of the venture's capital, would train personnel and transfer equipment worth $5 million to the port, on the Saigon River in Ho Chi Minh City.

The joint venture expects to begin work in March 1992.

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

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INTERNATIONAL FUNDS Aug. 28, 1991

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SPORTS

Braves and Jays Make Their Moves

Toronto All Alone

The Associated Press

Advantage, Blue Jays.

In what could be a see-saw battle the rest of the season, Toronto grabbed sole possession of first place in the American League East by beating Baltimore, 6-1, while Detroit was losing, 4-2, in California to fall one game behind the Blue Jays.

Toronto got a five-hitter from Juan Guzman Tuesday night in Memorial Stadium. Devon White homered, doubled, hit a sacrifice fly and drove in three runs for the Blue Jays. He is batting .391 with four homers and nine RBIs in his last six games, with at least one RBI in each contest.

Angels 4, Tigers 2: Chuck Finley won his 16th game to tie for the major-league lead and struck out a season-high 10 as California beat visiting Detroit.

Detroit managed only four hits in 6⅓ innings against Finley, before the left-hander was forced out by a blister on the middle finger of his pitching hand. Lance Parrish and Junior Felix snapped a scoreless tie in the third with two-out RBI singles against John Cerutti.

Indians 2, Twins 1: Greg Swindell, working with an extra day's rest, gave up one run in 8⅔ innings and Carlos Martinez singled home the go-ahead run in the eighth as Cleveland beat visiting Minnesota.

Royals 3, White Sox 2: Chicago, 24 hours after being no-hit by Bret Saberhagen, was held to two runs and six hits by two Kansas City pitchers and Harvey Pulliam hit one outside and one inside-the-park homer in Royals Stadium.

Red Sox 6, Athletics 4: Oakland lost its fifth straight game, all at home, as Carlos Quintana had three hits, including a home run, and two RBIs for Boston.

Rangers 7, Yankees 2: Ruben Sierra, Juan Gonzalez, and Steve Buechele each homered to lead Texas past New York in Yankee Stadium.

Mariners 6, Brewers 4: Edgar Martinez hit two homers and Ken Griffey Jr. had four hits as Seattle beat Milwaukee for the ninth straight time in the Kingdome. Griffey improved his batting average five points to .329.

Atlanta Gains Tie

The Associated Press

Not even the most optimistic Atlanta fan would have bet that the Braves could make up 9½ games in a month and a half. But Atlanta has won 30 of 46 games since the All-Star break and after its latest victory, sits atop the National League West, tied with Los Angeles.

Charlie Leibrandt was the most recent hero in Atlanta, striking out 13 batters in a 3-2 victory over Montreal on Tuesday night.

The Dodgers, losers to the Chicago Cubs, are 20-25 since the break.

"It feels great," Leibrandt said of the first-place tie. "It's something we've been working toward all year. I don't now if anybody thought we could catch them."

The Braves, seeking to become the first team in history to go from last to first the next season, have not been in first place this late in the season since Aug. 28, 1983.

Greg Olson and Mark Lemke drove in runs as the Braves took a 2-0 lead.

Cubs 2, Dodgers 1: Rookie Frank Castillo pitched a three-hitter and Shawon Dunston hit a two-run homer in Wrigley Field.

Pirates 5, Padres 2: Zane Smith was helped by four double plays over 8⅔ innings and Barry Bonds had two RBIs for Pittsburgh.

Bonds went two for three, scored once and drove in two of the Pirates' first three runs with an RBI single in the first and a sacrifice fly in the third, both against Ricky Bones.

Reds 4, Phillies 2: Scott Scudder pitched seven strong innings and Mariano Duncan drove in three runs with three hits in Cincinnati.

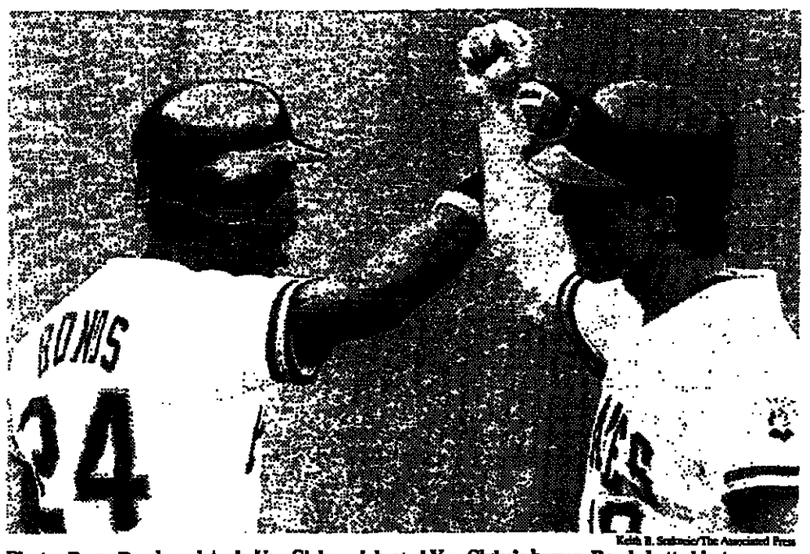
Duncan is 8 for 13 with five RBIs since being activated from the disabled list Friday. Eric Davis, starting for the first time in a month, opened the Reds' second with a double to left against Bruce Ruffin. One out later, Duncan tripled into the left-field corner for a 1-0 lead.

Astros 8, Mets 3: Ken Caminiti hit his 12th home run and drove in three runs, leading the Astros over the visiting Mets.

Cardinals 5, Giants 4: In St. Louis, Felix Jose hit a sacrifice fly in the eighth inning for the Cardinals, who won their fifth straight.

AMERICAN LEAGUE

NATIONAL LEAGUE



Keith B. Srakocic/The Associated Press

Pirates Barry Bonds and Andy Van Slyke celebrated Van Slyke's homer. Bonds batted in two runs.

In Atlanta, It's a Braves' New World

By Michael Martinez
New York Times Service

Something is wrong with this picture: September is close and so are the Atlanta Braves. The season has come down to its final weeks, but the Braves, who in recent years seemed to take a lease on last place, haven't wilted yet.

The Braves, in fact, are more than close — they have arrived, catching the Dodgers for a share of the National League West lead and causing aftershocks in Los Angeles.

"If the season ended today," Terry Pendleton, the Atlanta third baseman, said, "we would have to consider what we've done to be a success. Fortunately for us, it's not over yet."

Not with six games still left against the Dodgers, all of them coming in a 10-day span beginning Sept. 13.

No team has earned more attention than the Braves, who have been near the lead for most of the season after spending most of their past trying to escape last place.

In each of the six previous seasons, the Braves finished either in fifth place or sixth in the NL West, averaging 96 losses. At this time last year, they were entrenched in last, 23½ games out of first.

They finished in the cellar with 65 victories, which is only 2 more than they have now.

In modern major league history, no team has gone from last to first in consecutive seasons. Thus, the Braves are fighting both the Dodgers and precedent.

This is a franchise that hasn't had good times for almost a decade. Its last division championship came in 1982, its last 90-victory season in 1969, its last World Series title in 1957, when it was still in Milwaukee.

"We didn't always know how to win," said shortstop Jeff Blauser, who in three full seasons has endured a career's worth of unsightly losses. "We didn't know how to do the small things that it takes to win. When you're that far in a hole, it's hard to see any kind of light."

But a small beam began to break through last October with the addition of John Schuerholz as executive vice president and general manager.

The owner, Ted Turner, gave Schuerholz, who had spent two decades as the Kansas City Royals' major mover, an open checkbook for free agents and was rewarded handsomely, although it cost him $30 million.

Last season, the Braves were last in the National League in pitching, fielding and stolen bases and 10th in hitting. This season, they are first in hitting and slugging, second in runs scored and fourth in pitching. And even though they have committed more errors than every team but Houston, their defense is improved.

"We're not making the errors that beat ourselves, like in the past," said pitcher Tom Glavine, who is 16-8 and a Cy Young Award contender. "We might be making as many errors as last season, but they're coming in games that are blowouts."

Two of Schuerholz's most significant free-agent acquisitions in the off season were Pendleton and first baseman Sid Bream, who fortified the corners. Bream has been on the disabled list for all but a few days since June 26 after having arthroscopic surgery on his right knee, but he should be back by the end of the month. Pendleton, 31 years old, has been the Braves' steadying force.

"He's having an MVP year with his glove, his hitting, his leadership, everything," Manager Bobby Cox said of Pendleton. "I won't say that he's been a surprise, but we've gotten more from him than we thought."

Pendleton, who signed for $10.2 million over four years, came to the Braves when his former team, the St. Louis Cardinals, showed little interest in re-signing him. He is having a superb season in Atlanta, where he is sixth in the National League in hitting and has a .317 batting average.

"I'm just trying to go unnoticed," Pendleton said. Madonna would have a better chance walking down Broadway.

Yankees Learn Art of the Deal

By Malcolm Moran
New York Times Service

NEW YORK — After a hastily planned flight from North Carolina, baseball's newest millionaire, Brien Taylor, was finally able to rest with his family at a Manhattan hotel Tuesday night. They needed it.

In the previous 24 hours, a deal with the New York Yankees had transformed Taylor from a 19-year-old would-be junior college pitcher to the highest paid player in the history of baseball's amateur draft.

In a matter of months, Bettie Taylor, a crab processor from Beaufort, North Carolina, made a quick study of the baseball industry and led her family through complex, intense and sometimes acrimonious negotiations.

The force of her will when confronting Gene Michael, the Yankee vice president and general manager, led to a stunning spiral in the Yankees' long-standing offer from $650,000 to the final $1.55 million agreement in a matter of days.

"Bettie Taylor, when she met with Gene Michael, was ready," said Scott Boras, the California-based agent who has advised the family since the Yankees drafted Taylor in June.

"She was confident," he said. "She was fully apprised of the idiosyncrasies of major league baseball rules, the major league marketplace for draft picks, the value of Brien Taylor to teams other than the Yankees, and the varied options available to him if he attended college."

Taylor's contract firmly established a million-dollar value for a teenage prospect whose triumphs have been limited to high school games. As a result, their work could have a profound affect on athletes at a level that once held the least negotiating leverage — high school athletes faced with choice of a college or a major league organization.

The high school market first jumped beyond a million dollars last year when a Texas high school pitcher named Todd Van Poppel, also represented by Boras, signed a deal with Oakland for $1.2 million.

Although the Taylor family insisted that Brien deserved the same kind of money, the Yankees resisted, and baseball executives across the country hoped the Yankees could hold the line against the escalating salaries.

Mrs. Taylor's relationship with the Yankees could have reached the breaking point in July, after she wondered publicly whether the impasse in contract negotiations may have been the result of an effort by the Yankees to take advantage of a poor, black family.

Mrs. Taylor said her questions were erased upon meeting Michael a week ago, during a one-on-one meeting in a home economics room at East Carteret High School in Beaufort. "He seemed like a nice guy," she remembered, "and he seemed not really all that different from where we were coming from."

The suddenly open lines of communication gave the two sides an opportunity to solve an issue that became more complicated than money. The Taylors wanted a major league contract, which would have guaranteed that Taylor could rise to the major league level in three years.

But they gave that up in exchange for extra money, and the Yankees agreed that they would not take advantage of a clause in the standard minor league contract that allows an agreement to be voided within a 90-day period in the event of an injury.

SIDELINES

IOC Says Baltics May Make Appearance in Albertville

TOKYO (Reuters) — The Soviet Union's three Baltic republics could make a symbolic appearance at the 1992 Winter Olympics in Albertville, France, the president of the International Olympic Committee said Wednesday.

Juan Antonio Samaranch said an application by Lithuania, Latvia and Estonia to rejoin the Olympic movement will be considered by the IOC's executive committee when it meets in Berlin in September.

"Albertville is too soon to compete, but there will almost certainly be a symbolic representation," Samaranch said. He again said it was likely the Baltics would compete in the Summer Games in Barcelona.

Paris-Moscow-Peking Rally Canceled in Wake of Coup

PARIS (AFP) — The first Paris-Moscow-Peking Rally has been canceled due to the continuing uncertain situation in the Soviet Union, it was announced Wednesday.

The rally was initially postponed following the abortive coup to overthrow President Mikhail S. Gorbachev last week, and the organizers had hoped it might go ahead with a two-week delay.

But Rene Metge, who traveled to the Soviet Union, said Wednesday that his efforts had failed to come up with the necessary guarantees for the race, initially scheduled from Aug. 31 to Sept. 27.

Brazil Names Soccer Coach But Tenure Is Uncertain

RIO DE JANEIRO (AP) — Ernesto Paulo, coach of the Brazilian junior team and Rio's Botafogo club, has been chosen to coach the national team, the Brazilian Soccer Confederation announced.

Paulo on Tuesday replaced Paulo Roberto Falcão, who quit this month after the South American champions lost their title to Argentina in the America Cup.

However, many considered the appointment a stopgap measure. Brazil will face Wales in an exhibition game Sept. 11 in Cardiff, and had no coach. There were reports that another coach will be named for the 1992 pre-Olympic qualifying tournament in Paraguay.

For the Record

Bo Jackson went hitless Tuesday night in the fourth game of his minor-league rehabilitation program for the Chicago White Sox, but he walked twice, scored two runs and stole a base in the Class AA game in Hoover, Alabama. *(AP)*

The Southwest Conference could lose its automatic bid to the National Collegiate Athletic Association basketball tournament if investigators confirm an allegation involving improper influence of coaches over referees, an NCAA official told the Dallas Morning News in a story published Wednesday. Three SWC officials have blamed coaches for their firings. *(AP)*

Doug Flutie and Raghib (Rocket) Ismail met for the second time in the Canadian Football League, but the result was lackluster Tuesday night in Toronto. Ismail, who plays for Toronto, gained 60 yards on nine rushes and caught three passes for 28 yards; Flutie, who plays for British Columbia completed 29 of 49 passes for 360 yards. The Argonauts won the game, 34-25. *(AP)*

BOOKS

SECRET AGENDA: The United States Government, Nazi Scientists, and Project Paperclip, 1945 to 1990

By Linda Hunt. 340 pages. $19.95. St. Martin's Press Inc., 175 Fifth Avenue, New York, N.Y. 10010.

Reviewed by Peter A. Masley

AT the end of World War II, the United States, Britain, France and the Soviet Union competed fiercely to acquire and import the defeated Third Reich's scientific and engineering manpower. Denying the Soviets these Nazi "assets" was Washington's purpose, Project Paperclip its enigmatic name.

"Dazzled by German technology that was in some cases years ahead of our own," government officials "simply ignored its evil foundation . . . and pursued Nazi scientific knowledge like a forbidden fruit," Linda Hunt writes in "Secret Agenda."

This is a story that shatters images, including those of the rocket scientist Wernher von Braun, military intelligence operatives and many public servants. Hunt clearly delineates the forces of good from evil. Many of the latter, in her view, were on the payroll of the U. S. government.

A former executive producer of CNN's investigative unit and now a Washington-based reporter, Hunt tells how American military and civilian officials committed crimes in picking Paperclip's "forbidden fruit" in Germany and shipping it home. Using special organizations with quixotic titles, such as the Joint Intelligence Objectives Agency (JIOA), the officials lied, perjured themselves, obstructed justice, destroyed and altered records, and contravened the president's explicit orders closing U. S. borders to Nazis. Once here, the scientists spread out from the government to private contractors and universities. And the military stonewalled and lied to protect the Germans from outraged Americans.

V-1 and V-2 rocket scientists such as von Braun, to many Americans a hero of the Apollo moon landing endeavor, were graduates of Paperclip. An early investigation into his background "noted that von Braun was considered an ardent Nazi and a security threat to the United States." But von Braun ended up with Army rocketeers in Huntsville, Alabama, later to become developer of the Apollo Saturn launch vehicle.

Hunt also points to General Walter Schreiber, head of the Reich's Sanitary Division of the Military Medical Academy, which had jurisdiction over experiments on prisoners in concentration camps.

After the war Schreiber was captured by the Soviets. Two years later he suddenly appeared in West Berlin amid rumors he was "a Soviet plant." U. S. Army intelligence hired Schreiber in Germany, the CIA used him, and he was sent to work at the Air Force School of Aviation Medicine in Texas in 1951, Hunt writes. But complaints and bad publicity helped his past to catch up with him, and he went to Argentina a year later.

It is not without irony that Project Paperclip, kept secret from the American public, seems to have been penetrated by the Soviets from its inception. According to Hunt, the Soviet spy Donald Maclean offered advice about which scientists to recruit; in 1959, William Henry Whalen took over as director of the JIOA. "Whalen was a paid Soviet agent until he stopped spying in early 1963," Hunt writes.

Behind Paperclip's brisk trade in Nazi scientists was the CIA. "The CIA and military intelligence used the project to bring intelligence sources or other assets to the United States" in exchange for their services, Hunt writes.

However powerful the Paperclip revelations, Hunt impedes the story with abrupt introductions of principals and an annoying bouncing of the narrative from peak to peak. The absence of transitions in her writing is jarring. Misspelled names and words, poor grammar and incomplete indexing show lack of attention by editors and proofreaders. But Hunt is to be commended for dogged extraction of records from federal archives and for straightening out the many twists in Paperclip.

Peter A. Masley is on the staff of The Washington Post.

BRIDGE

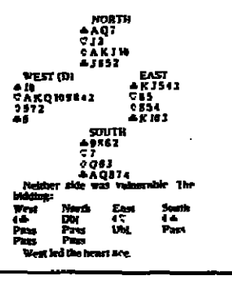
By Alan Truscott

THE diagramed deal, and a sleepy opponent, helped Estonia considerably to win second place against Hungary in the unofficial Prague Cup in Czechoslovakia in April.

The four-club opening showed a strong four-heart bid, and when the Estonian South ventured four spades East was happy to double. West led the heart ace and gave South some help by shifting to the club nine. This was covered by the jack, king and ace, and South was not surprised when a finesse of the spade queen lost to the king.

A heart return was ruffed in the closed hand and dummy was entered with a diamond to the ace. The club eight was finessed successfully and the queen was cashed. Two more diamond winners were taken, leaving the lead in dummy in this position:

When the diamond ten was led from the dummy East would have beaten the contract if he had ruffed with the spade jack. In practice he sleepily ruffed low and exposed himself to an endplay: South overruffed and led a club, scoring two trump tricks in dummy at the finish.

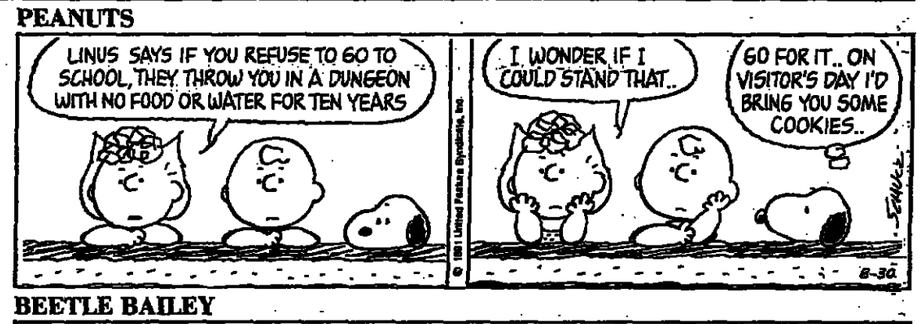


Neither side was vulnerable. The bidding:

West	North	East	South
4♠	Dbl	4♡	4♠
Pass	Pass	Dbl.	Pass
Pass	Pass		

West led the heart ace.

PEANUTS



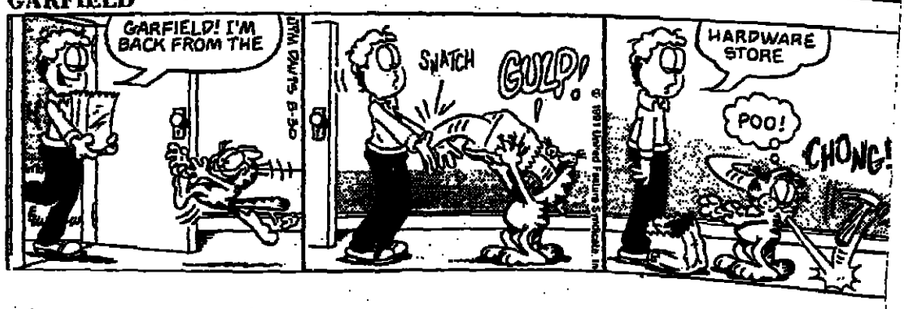
BEETLE BAILEY

CALVIN AND HOBBES

WIZARD of ID

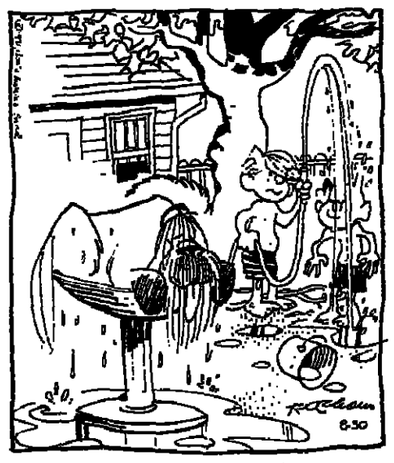
REX MORGAN

GARFIELD



DOONESBURY

DENNIS THE MENACE



"RUFF MUST THINK HE'S A BIRD DOG."

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

TIVER

KAROC

ZELPUZ

VIRTED

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon

Answer: THE "□□□□" □□□□□

(Answers tomorrow)

Yesterday's Jumbles: FLUTE QUEST CABANA ENCAMP
Answer: What a woman with a figure should avoid— A MAN WITH A PAST

BLONDIE

هكذا من الأصل

SPORTS

Krabbe's Future Is Also Solid Gold

Compiled by Our Staff From Dispatches

TOKYO — When Katrin Krabbe won three gold medals in last year's European track and field championships, she earned something else: a new name. German newspapers began calling the 6-foot 1-inch (1.85-meter) blonde the "Grace Kelly of track and field" and endorsement opportunities arrived by the dozen.

Now, Krabbe can sit back and anticipate the rewards of having upset Merlene Ottey of Jamaica in the 100 meters of the World Track and Field Championships. Wednesday was a day off at the meet.

Already, Krabbe, 21, makes enough money to all but support her Neubrandenburg team, of which Nike is one of the main sponsors. Finances have become a major concern among German athletes since reunification, as western Germany never had the east's commitment to producing champions.

"They are the last, Krabbe and Breuer and perhaps two or three others," said Volker Kluge, a German sportswriter. He was referring to Grit Breuer, 19, second in the 400 meters. "Maybe we will win some more medals here, maybe the same number in Barcelona. But then it is finished.

Agence France-Presse

A triumphant Krabbe.

"Many coaches have lost their jobs. Some athletes have had to find work to support themselves, others lost incentive and quit. Young people are not being encouraged to begin sports. The system has been destroyed."

Krabbe's adjustment has been traumatic. When East Germany, in anticipation of reunification, opened for business, Nike paid $800,000 to become a sponsor of the club in Neubrandenburg, about two hours north of Berlin. This guaranteed that the club could continue supporting elite athletes, such as Krabbe, as well as developing new ones.

Besides a private arrangement with Nike, Krabbe signed contracts with a cosmetics company, a clothing manufacturer and a newspaper. A German magazine, Der Spiegel, estimated that she earns $480,000 per year.

But her fame also has brought aggravation. She acknowledged Tuesday night that she almost quit the sport earlier this year. Resented by many people in her hometown who have not thrived since reunification, she has received one death threat.

Every move she makes is scrutinized by the press. When she had a brief affair last year with a man other than her fiance, former East German canoeist Torsten Krenz, details were well-publicized. Her wedding to Krenz was canceled, but they are together again.

More damaging to her reputation have been insinuations in the German media about her alleged use of banned performance-enhancing substances. When she went to the Bahamas in January and to San Diego in May for training, rumors spread that she left the country to evade the German track federation's random drug tests.

But her coach said German officials arranged to have her tested in both the Bahamas and San Diego. She said that she has been tested 15 times this year, including twice within a month before Tokyo.

Tuesday, it was all worthwhile. Back in Germany, a crowd gathered at the sporting goods store run by Krabbe and Krenz. And at her club in Neubrandenburg, coaches watched on television.

"I was the only one who believed she could win," said coach Klaus Licht. "It gave me the shivers when she took the lead." *(LAT, UPI)*

Don Emmert/Agence France-Presse

He huffed and he pumped and he took four hours but Connors upset McEnroe. "I started playing his brother and now I can get in there and play Patrick," said Connors. "That's the name of the game."

Connors Burns Midnight Oil In Upset of Patrick McEnroe

Sizzling 5-Setter Goes 4-Plus Hours

By Alison Muscatine

Washington Post Service

NEW YORK — Nothing is more likely to stir a full house at the U.S. Open than a match between a Connors and a McEnroe. Never mind that this time it was Patrick McEnroe, not John, and that Jimmy Connors, six days shy of his 39th birthday, is now ranked No. 174. In New York, Connors vs. McEnroe is a match and this one was an epic.

Down two sets, Connors came back to win, 4-6, 6-7 (4-7), 6-4, 6-2, 6-4 in a 4-hour 20-minute melodrama that saw him get stronger as the hours passed. That Connors had not played here in two years — he was out last year with a wrist injury — and that this may be his final Open, added a layer of suspense.

"It's a big occasion for a lot of reasons," Connors said, after the crowd at the National Tennis Center bowed and cheered as the match ended at 1:40 A.M. Wednesday. "I'm playing a McEnroe. I just tried to dig it out at the end."

Said McEnroe: "I'll probably try not to discuss it for the next five years."

When Connors fought off three set points in the first set, a chorus of whistles and "Jim-my" reverberated around the court. When he won the third set at the stroke of midnight, pumping his arm as always, the crowd went wild. When he won the fourth set at 12:39 A.M., there were chants.

For the 25-year-old McEnroe, the match will have painful and lingering memories. It was the first time he had tread on the stadium court, where his brother John had won four titles and had left some indelible footprints. And while, as the No. 35-ranked player, he was the overwhelming favorite to win, McEnroe knew that Connors would be fueled by history.

Connors and John McEnroe had played each other 32 times, McEnroe winning 19. "I started playing his brother, and now I can get in there and play Patrick," Connors said. "That's the name of the game."

A five-time Open champion, Connors first competed in this tournament when Patrick McEnroe was 3. This was his 108th match here.

If there was one time in the match that Connors may have remembered his age, and how absurd and remarkable it was that he was even playing, it was in the second set. With his hair matted from perspiration and his legs stubbornly moving around the court, McEnroe broke in the first game. But Connors rallied. It was as if he plugged himself into an electric socket and turned the switch to "on."

"I knew there was no going out and coasting," he said. "I'm not going to roll over and let things go."

By the time the two found themselves in a tiebreaker, the crowd was so noisily and enthusiastically behind the underdog, that even Connors must have had difficulty concentrating. When he nailed a winner at 3-5 and gave a trademark pumped fist, the crowd roared.

Still, McEnroe won the set and that point, he said, "I thought I had the match won." Although fans began trickling out after Connors dropped the set, several thousand diehard Jimmy-ites stayed to cheer Connors on to a break at 3-3 in the third. McEnroe, meanwhile, seemed to be saying to himself: "Who is this guy kidding anyway?"

After he won the fourth set, Connors seemed almost giddy. His legs showed new life, his shots had new punch and he even jogged off the court after one game. When he was robbed of a critical point, he gestured rudely at the umpire, Dale Loconto, inducing a deafening echo of boos from the crowd.

In the fifth set, Connors broke McEnroe in the third game. "He got his second wind," McEnroe said. "That's when Jimmy Connors is a dangerous player."

The end did not come easily. Connors had to fight off two break points serving at 5-4, and actually blew the first match point.

Then, he won. And at the end, Connors raised his racket to the crowd to acknowledge their role.

"They won it for me," he said.

Seles Moves On, But Needs 3 Sets

The Associated Press

NEW YORK — Second-seeded Monica Seles continued her successful return to Grand Slam tennis on Wednesday, eliminating Emanuela Zardo, 6-0, 4-6, 6-0, in the second round of the U.S. Open.

Seles sailed through the first set with no problem but found some difficulty in the second against the 21-year-old from Switzerland.

Zardo broke Seles's serve in the fifth game and took the set. But Seles regained her touch, dominating the third set, breaking her opponent at love in the second game and winning easily.

Also Wednesday, Goran Ivanisevic of Yugoslavia beat countryman Goran Prpic, 6-1, 6-3, 6-4, and Wimbledon champion and No. 3 seed Michael Stich of Germany advanced in a walkover over American Jimmy Brown.

On center court, less than 10 hours after his younger brother, Patrick, had lost a four-hour marathon against old rival Jimmy Connors, John McEnroe faced Martin Laurendeau in a second-round match. John McEnroe, a four-time Open champion and seeded 16th this year, jumped in front against Laurendeau, winning the first set by 6-3 and leading by 4-1 in the second.

Other than the McEnroe-Connors excitement, Tuesday was fairly routine at the Open. Top-seeded Boris Becker began his tournament with a 7-6 (7-3), 6-4, 6-4 victory over Martin Jaite.

Other winners Tuesday included Stich, who defeated Jacco Eltingh, 7-6 (7-5), 6-1, 6-0, and No. 4 Jim Courier, the French Open champion, who was a 6-3, 6-4, 6-4 winner over Nicklas Kulti.

Among the women, No. 4 Arantxa Sánchez Vicario defeated Katia Piccolini, 6-0, 6-1, No. 5 Mary Joe Fernandez eliminated Larisa Savchenko, 6-3, 6-3, and No. 6 Martina Navratilova was a 6-2, 6-2 winner over Patricia Tarabini.

49ers Put Montana on Injured List

The Associated Press

Joe Montana has bounced back from serious back surgery and a rash of other injuries. But he hasn't missed the San Francisco 49ers' opening regular-season game since 1980 — until now.

The 35-year-old Montana, the National Football League's most valuable player the past two years and MVP in three of San Francisco's four Super Bowl victories, was placed on injured reserve Tuesday with a sore right elbow that has kept him from throwing for three weeks. The 49ers open Monday night against the New York Giants.

Montana's disabling was the major development in a day of maneuvering in which many veterans cut on Monday ended a day in limbo and went back on the active roster.

They included Gerald Riggs of the Redskins; Vince Evans and Jerry Robinson of the Raiders, Billy Ard and Keith Uecker of the Packers, Doug Smith of the Rams, and Cliff Stoudt of the Cowboys. Dexter Manley, cut by the Cardinals, resurfaced with Tampa Bay.

Wednesday, San Diego traded quarterback Billy Joe Tolliver, who lost his starting job, to Atlanta for an undisclosed 1992 draft choice.

The NFL transactions:

BUFFALO—Waived Leonard Burton and Dean Kirkland, offensive guards; Joe Staysniak, offensive tackle; David Pool, cornerback; Tim Smiley, safety; Matt Ruhland, defensive linemen; Odell Haggins, nose tackle; Vernon Turner, wide receiver; and Matt Monger, linebacker. Put Darryl Wren, CB, on preseason injured reserve. Put Mark Maddox, LB, and Jamie Mueller, fullback, on regular season injured reserve.

CHICAGO—Put Chris Gardocki, placekicker; Ron Morris, WR; and Shaun Gayle, safety, on IR.

CINCINNATI—Put Ickey Woods, running back; Kirk Scrafford, OT; Carl Carter, CB; and Barney Bussey, S, on IR. Reclaimed Skip McClendon, defensive end; Leo Barker, LB; and Joe King, S, off waivers. Claimed Alonzo Mitz, DE, off waivers.

CLEVELAND—Agreed to terms with Michael Dean Perry, defensive tackle. Announced that Newt Harrell, offensive guard, acquired from the Raiders for a draft choice, failed his physical and is being returned L.A.

DALLAS—Reclaimed Cliff Stoudt, quarterback; Vince Albritton, S; and James Dixon, kick returner, off waivers. Claimed Mickey Pruitt, LB, off waivers. Put Rob Awalt, tight end; Ricky Blake, RB; Leon Lett, defensive lineman; and Dixon Edwards, LB, on IR.

DENVER—Reclaimed Kevin Clark, kKR, and Jim Szymanski, DE, off waivers. Put Vance Johnson, WR, and Crawford Ker, OG, on IR. Signed Shawn Moore, QB; Barry Johnson, WR; Dan Gibson, nose tackle; and Mark Murray, LB, to practice squad.

DETROIT—Reclaimed Mark Brown, LB; Don Overton, RB, and Herb Welch, S, off waivers. Put Victor Jones, LB; Ken Dallafior, OG, and Sean Van Horse, CB, on IR.

GREEN BAY—Reclaimed Billy Ard, OG, and Keith Uecker, offensive lineman. Signed Paul McJulien and Rick Tuten, punters. Put Louis Cheek, OT; Chuck Webb, RB; and Erik Affholter, WR, on IR.

HOUSTON—Waived Gary Wellman, WR. Recalled Eric Norgard, OL, from practice roster.

KANSAS CITY—Waived Steve Pelluer, QB; Billy Bell, CB; David Bailey, DE; and Larry Williams, offensive guard. Put Tom Dohring, OT, and Troy Stradford, WR, on IR.

L.A. RAIDERS—Reclaimed Vince Evans, QB; Jerry Robinson, LB; and Derrick Crudup, S, off waivers. Put Vance Mueller and Nick Bell, RBs, and Roy Hart, DL, on IR.

L.A. RAMS—Put Marcus Dupree, RB, and Robert Bailey, CB, on IR. Reclaimed Doug Smith, center, off waivers. Claimed Vernon Turner, WR, off waivers.

MIAMI—Put Sammie Smith, RB; Terry Price, DE; and Stevon Moore, S, on IR. Reclaimed Greg Baty, TE; Paul Lankford, CB; and Dave Zawatson, OG, off waivers. Signed Cisco Richard, RB; Mark Sander, LB; Michael Titley, TE; Ernie Rogers, OT, and Joe Brunson, DE, to practice squad.

MINNESOTA—Reclaimed Leo Lewis, WR; Darrin Nelson, RB, and Craig Wolfley, OL.

NEW ENGLAND—Agreed to terms with John Stephens, RB, on a four-year contract. Claimed Rob Carpenter, WR, off waivers.

N.Y. JETS—Claimed Ken Whisenhunt, TE, off waivers.

PHILADELPHIA—Put Jesse Campbell, S, on IR list. Re-claimed Kenny Jackson, WR.

PHOENIX—Put Eric Swann, DL, and Greg Amsler, RB, on IIR. Reclaimed Amod Field and John Jackson, WRs, off waivers.

PITTSBURGH—Agreed to terms with David Little, LB, on a three-year contract. Placed Gary Jones, S, and Delton Hall and Sammy Walker, CBs, on the injured reserve list. Signed Jerrod Johnson, center, Garry Howe, nose tackle, Ariel Solomon, OT, and Ron Fair, WR, to their practice roster.

SAN FRANCISCO—Put Joe Montana, QB; Ricky Watters, RB; and Harry Boatswain, OT, on IR. Reclaimed Ralf Mojsiejenko, punter; Tom Neville, OG; and Dean Caliguire, center, off waivers.

SEATTLE—Reclaimed Paul Skansi, WR, and Darren Comeaux, LB, off waivers. Put Kelly Stouffer, QB, and Joe Tofflemire, center, on IR.

TAMPA BAY—Traded Ervin Randle, LB, to Kansas City for 1992 draft pick. Claimed Dexter Manley and Gerald Nichols, DLs, and Alonzo Hampton, defensive back, from waivers. Re-claimed Maurice Oliver, LB, from procedural recall waivers. Waived Jim Skow, DL; Maurice Crum, LB; and Dale Joseph, DB.

WASHINGTON—Reclaimed Gerald Riggs, RB; Stephen Hobbs and Joe Johnson, WRs; Mark Adickes, OG; and Sidney Johnson, DB, off waivers. Claimed Terry Orr, TE, off waivers. Put Cary Conklin, QB; Ray Brown and Mo Elewonibi, OTs; A.J. Johnson, DB; John Settle, RB; and Don Warren, TE, on IR.

Promotional Tour by 3 NBA Stars: It Will Play in Europe, but Will They?

By Sandra Bailey

International Herald Tribune

PARIS — To Nike, the giant manufacturer of athletic wear, it's the Tour de Force. To fans in Europe, it's a barnstorming swing by Charles Barkley of the Philadelphia 76ers, David Robinson of the San Antonio Spurs and Scottie Pippen of the Chicago Bulls. And to the National Basketball Association, the whole thing is just a bit of a pain.

It is undoubtedly a tour, beginning in Barcelona on Sept. 2 and moving on to Munich on Sept. 4, Paris on Sept. 8 and Verona, Italy, on Sept. 11. And, as posters in the cities announce, the Nike pitchmen Barkley, Robinson and Pippen will be featured.

Beyond that, the situation is a bit fuzzy.

"We understood they were just going to participate in clinics," said Josh Rosenfeld, the NBA's director of international public relations. As far as playing is concerned, "We haven't given them formal permission," he said.

But play they will, said Martina Fruehwald of Nike's European administrative office in Weiterstadt, Germany — or at least Barkley and Pippen will. Although last week Nike said that all three would play, on Wednesday there was uncertainty about Robinson.

"You know he has a very clean image," Fruehwald said of Robinson. "I don't think he would want a fine," which could be levied by the Spurs or by the league.

According to a Spanish news report, Pippen has received an insurance waiver because of previous work in Europe. As for Barkley, "He probably doesn't care if he has to pay a penalty," Fruehwald said.

The idea is for Robinson and Barkley, the two main attractions, to play on opposing teams at each stop. In Spain and France, the opponents will be two all-star teams; in Germany, it will be Bayer Leverkusen versus an all-star squad directed by former North Carolina State coach Jim Valvano; and in Italy, Glaxo from Verona will face Stefanel from Trieste.

"We understand all the publicity is that they're going to play," Rosenfeld said, "and we wouldn't want people to buy tickets and be disappointed."

So the NBA will not stand in the way if all three want to play, although it will not sanction the games, according to Rosenfeld. "There's a whole list of criteria that games have to meet to be sanctioned in the summer," he said, citing the presence of NBA trainers and referees as two that the Nike tour does not meet.

There is another concern.

"I don't know where the proceeds are going," said Rosenfeld. "Here, it has to be to a charity. Otherwise we'd have promoters after these guys to play all summer."

As a result, he suggested, the league might ask Nike to make "a contribution to a charity somewhere."

Fruehwald doubts that will be an issue. "I don't think Nike is going to make a profit," she said.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Toronto	70	57	.551	—
Detroit	69	58	.543	1
Boston	64	62	.508	5½
Milwaukee	60	66	.476	9½
New York	56	68	.452	12½
Baltimore	52	74	.413	17½
Cleveland	42	83	.336	27

West Division

	W	L	Pct.	GB
Minnesota	76	52	.594	—
Chicago	67	59	.532	8
Oakland	68	60	.531	8
Texas	66	59	.528	8½
Kansas City	65	60	.520	9½
Seattle	66	61	.520	9½
California	62	64	.492	13

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Pittsburgh	73	51	.589	—
St. Louis	69	55	.556	4
Chicago	63	62	.504	10½
New York	61	64	.488	12½
Philadelphia	60	65	.480	13½
Montreal	50	74	.403	23

West Division

	W	L	Pct.	GB
Atlanta	69	56	.552	—
Los Angeles	69	56	.552	—
Cincinnati	62	63	.496	7
San Diego	61	65	.484	8½
San Francisco	60	65	.480	9
Houston	52	73	.416	17

Tuesday's Line Scores

AMERICAN LEAGUE

Minnesota 001 000 000—1 6 1
Cleveland 000 100 01x—2 11 1

Morris, Bedrosian (8) and Harper; Swindell, Olin (9) and Skinner. W—Swindell, 8-12. L—Morris, 15-10. Sv—Olin (8).

Toronto 120 200 000—5 8 0
Baltimore 001 000 000—1 5 1

Jo.Guzman and Borders; Rhodes, Telford (5) and Melvin. W—Jo.Guzman, 5-2. L—Rhodes, 0-1. HR—Toronto, White (13).

Texas 000 003 040—7 12 2
New York 101 000 000—2 7 1

Jo.Guzman, Rogers (7) and Rodriguez; Perez, Habyan (7), Cadaret (8), Elland (9) and Nokes. W—Jo.Guzman, 9-5. L—Perez, 1-2. Sv—Rogers (4). HRs—Texas, Sierra (18), Gonzalez (26), Buechele (18).

Chicago 000 000 200—2 6 0
Kansas City 000 201 00x—3 9 0

Alvarez, Drahman (6), Perez (8) and Fisk; M.Davis, Gordon (7) and Soehr. W—M.Davis, 4-1. L—Alvarez, 1-2. Sv—Gordon (1). HRs—Chicago, Fisk (11). Kansas City, Pulliam 2 (3).

Milwaukee 002 000 110—4 9 0
Seattle 030 001 11x—6 12 0

August, Lee (7), Nunez (7) and Surhoff; DeLucia, Jones (7), Murphy (8), Jackson (9) and Valle. W—DeLucia, 11-8. L—August, 9-6. Sv—Jackson (14). HRs—Seattle, Martinez 2 (11).

Boston 005 010 000—6 13 1
Oakland 000 400 000—4 6 0

Gardiner, Harris (6), Reardon (9) and Pena; Welch, Chitren (3), C.Young (4), Nelson (6), Klink (8) and Steinbach. W—Gardiner, 6-6. L—Welch 11-9. Sv—Reardon (32). HRs—Boston, Quintana (10). Oakland, McGwire (18).

Detroit 000 010 001—2 6 1
California 000 200 20x—4 9 0

Cerutti, Gleaton (7), Ritz (8) and Allanson; Finley, Eichhorn (7), Harvey (9) and Parrish. W—Finley, 16-7. L—Cerutti, 2-5. Sv—Harvey (32). HR—Detroit, Fryman (17).

NATIONAL LEAGUE

Los Angeles 010 000 000—1 3 0
Chicago 000 020 00x—2 7 0

R.Martinez, McDowell (8) and Scioscia; F.Castillo and Wilkins. W—F.Castillo, 5-2. L—R.Martinez, 15-9. HR—Chicago, Dunston (10).

San Diego 000 000 110—2 11 0
Pittsburgh 111 000 20x—5 11 2

Bones, Lilliquist (5), RlRodriguez (7) and Santiago, Bilardello (7); Z.Smith, Mason (9) and LaValliere. W—Z.Smith, 12-9. L—Bones, 1-3. Sv—Mason (1). HRs—San Diego, Ward (2). Pittsburgh, Van Slyke (15).

Philadelphia 000 000 101—2 7 0
Cincinnati 010 100 11x—4 9 0

Ruffin, Ritchie (8) and Daulton; Scudder, Power (8), Dibble (8) and Oliver. W—Scudder, 5-4. L—Ruffin, 3-5. Sv—Dibble (26). HR—Philadelphia, Murphy (16).

Montreal 100 000 100—2 4 0
Atlanta 020 010 00x—3 9 0

Nabholz, Rojas (8) and Reyes; Leibrandt, Clancy (9) and Olson. W—Leibrandt, 13-11. L—Nabholz, 2-7. Sv—Clancy (7). HRs—Montreal, Deshields (8), Calderon (17).

New York 000 010 110—3 8 2
Houston 221 000 00x—5 10 0

Whitehurst, Schourek (5), Innis (6), Simons (8) and O'Brien; Kile, Schilling (7) and Biggio. W—Kile, 6-8. L—Whitehurst, 5-10. Sv—Schilling (6). HR—Houston, Caminiti (12).

San Francisco 300 000 010—4 10 0
St. Louis 010 030 01x—5 8 1

Burkett, Robinson (7) and Manwaring; Tewksbury, McClure (8), Terry (8), L.Smith (9) and Gedman. W—Terry, 4-1. L—Robinson, 5-9. Sv—L.Smith (37). HR—St. Louis, Thompson (5).

Japanese Baseball

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Chunichi	58	40	1	.592	—
Hiroshima	51	40	1	.560	3½
Yakult	55	48	1	.534	5½
Yomiuri	57	52	0	.523	6½
Taiyo	45	57	1	.441	15
Hanshin	34	63	0	.351	23½

Wednesday's Results

Chunichi 4, Yomiuri 1
Hanshin 2, Yakult 7
Taiyo 3, Hiroshima 2, 12 innings

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Kintetsu	63	37	2	.630	—
Seibu	61	38	3	.616	1½
Orix	49	52	2	.480	15
Daiei	45	51	2	.469	16
Nippon Ham	46	53	4	.465	16½
Lotte	33	65	1	.337	29

Wednesday's Results

Kintetsu 5, Nippon Ham 1
Seibu 7, Daiei 4
Lotte 8, Orix 6, 10 innings

TENNIS

U.S. Open

Results from the $7.25 million championship of the National Tennis Center in New York (seedings in parentheses):

MEN'S SINGLES

First Round, Tuesday

Stefan Edberg (2), Sweden, def. Bryan Shelton, U.S., 6-4, 2-6, 7-6 (7-4), 6-1; Ivan Lendl (5), U.S., def. Richard Krajicek, Netherlands, 3-6, 2-6, 6-4, 7-6 (7-5), 6-0; Sergi Bruguera (9), Spain, def. Tomas Carbonell, Spain, 3-6, 4-6, 6-3, 7-6 (7-3), 6-3; Christian Saceanu, Germany, def. Marian Vajda, Czechoslovakia, 2-6, 7-6 (7-5), 6-4, 6-4; Jeff Tarango, U.S., def. Ramesh Krishnan, India, 6-2, 6-1, 6-7 (5-7), 5-7, 6-3; Patrick Kuhnen, Germany, def. Simon Youl, Australia, 7-6 (7-4), 6-7 (5-7), 6-4, 6-2; Michael Stich (3), Germany, def. Jacco Eltingh, Netherlands, 7-6 (7-5), 6-1, 6-0; Stefano Pescosolido, Italy, def. David Pate, U.S., 7-6 (8-6), 6-7 (5-7), 2-6, 6-2, 6-3; Gabriel Markus, Argentina, def. Diego Nargiso, Italy, 7-6 (7-1), 7-6 (7-4), 7-6 (7-5); Javier Frana, Argentina, def. David Engel, Sweden, 6-3, 6-4, 6-4; Magnus Larsson, Sweden, def. Andres Gomez, Ecuador, 4-6, 6-3, 7-6 (10-8), 2-6, 6-1; Jim Courier (4), U.S., def. Nicklas Kulti, Sweden, 6-3, 6-4, 6-4; David Wheaton (11), U.S., def. Richard Fromberg, Australia, 6-8, 4-6, 7-6 (9-7), 6-3; Emilio Sanchez (14), Spain, def. David Witt, U.S., 6-4, 6-4, 6-3, 6-3; Paul Haarhuis, Netherlands, def. Eric Jelen, Germany, 2-6, 6-2, 6-1, 3-6, 6-2; Nuno Marques, Portugal, def. Glenn Michibata, Canada, 6-3, 6-4, 7-6 (7-4); Andrei Chesnokov, Soviet Union, def. Mikael Pernfors, Sweden, 6-2, 6-2, 6-3; Jimmy Brown, Largo, U.S., def. Alberto Mancini, Argentina, 6-2, 6-4, 3-6, 6-7 (4-7), 6-2; Alexander Volkov, Soviet Union, def. Luis Herrera, Mexico, 7-6 (7-5), 6-3, 3-6, 6-4; Michiel Schapers, Netherlands, def. Jose Altur, Spain, 4-6, 6-4, 6-2, 6-1; Horst Skoff, Austria, def. Kelly Evernden, New Zealand, 4-6, 7-6 (7-1), 6-4, 6-2; Andrew Castle, Britain, def. Bart Wuyts, Belgium, 6-4, 7-5, 6-4, 7-5; Jimmy Arias, U.S., def. Peter Lundgren, Sweden, 7-5, 7-5, 3-6, 6-3; Boris Becker (1), Germany, def. Martin Jaite, Argentina, 7-6 (7-3), 6-4, 6-4; Carl-Uwe Steeb, Germany, def. Chuck Adams, U.S., 6-2, 7-5, 6-3; Guillaume Raoux, France, def. Marc Rosset, Switzerland, 5-7, 6-3, 6-3, 4-6, 6-3; Francisco Clavel, Spain, def. Richey Reneberg, U.S., 7-6 (8-6), 6-7 (5-7), 6-4, 6-2; Grant Stafford, South Africa, def. Jim Pugh, U.S., 6-3, 6-7 (5-7), 7-6 (7-2), 3-6, 6-3; Karel Novacek (10), Czechoslovakia, def. Scott Davis, U.S., 6-3, 5-7, 6-1, 6-3; Jimmy Connors, U.S., def. Patrick McEnroe, U.S., 4-6, 6-7 (4-7), 6-4, 6-2, 6-4.

Second Round, Wednesday

Goran Ivanisevic (12), Yugoslavia, def. Goran Prpic, Yugoslavia, 6-1, 6-3, 6-4; Michael Stich (3), Germany, def. Jimmy Brown, U.S. (withdrew from tournament).

WOMEN'S SINGLES

First Round, Tuesday

Helena Sukova (15), Czechoslovakia, def. Jessica Emmons, U.S., 6-0, 4-6, 6-2; Natalia Zvereva, Soviet Union, def. Wiltrud Probst, Germany, 6-1, 7-6 (7-5); Arantxa Sanchez Vicario (4), Spain, def. Katia Piccolini, Italy, 6-0, 6-1; Mary Joe Fernandez (5), U.S., def. Larisa Savchenko, Soviet Union, 6-3, 6-3; Katerina Maleeva (11), Bulgaria, def. Manon Bollegraf, Netherlands, 6-3, 6-4; Anke Huber (16), Germany, def. Anne Minter, Australia, 6-1, 4-6, 6-1; Brenda Schultz, Netherlands, def. Akiko Kijimuta, Japan, 3-6, 6-3, 6-2; Nathalie Herreman, France, def. Claudia Kohde-Kilsch, Germany, 4-6, 6-4, 6-3; Lori McNeil, U.S., def. Robin White, U.S., 6-2, 6-3; Catarina Lindqvist, Sweden, def. Rene Alter, Canada, 6-3, 6-3; Elena Brioukhovets, Soviet Union, def. Lisa Bonder-Kreiss, U.S., 6-3, 6-0; Judith Wiesner, Austria, def. Alexia Dechaume, France, 4-6, 6-3, 6-3; Debbie Graham, U.S., def. Lindsay Davenport, U.S., 6-3, 6-2; Kimberly Po, U.S., def. Elise Burgin, U.S., 6-4, 6-4; Andrea Strnadova, Czechoslovakia, def. Claudia Porwik, Germany, 6-3, 6-2; Martina Navratilova (6), U.S., def. Patricia Tarabini, Argentina, 6-2, 6-2; Conchita Martinez (8), Spain, def. Cecilia Dahlman, Sweden, 6-1, 6-1; Zina Garrison (12), U.S., def. Sabine Appelmans, Belgium, 7-5, 6-4; Florencia Labat, Argentina, def. Nathalie Tauziat (14), France, 7-5, 6-4; Pam Shriver, U.S., def. Rika Hiraki, Japan, 6-1, 6-1; Mary Pierce, U.S., def. Laura Garrone, Italy, 4-6, 6-0, 7-6 (7-2); Kristin Godridge, Australia, def. Elizabeth Smylie, Australia, 6-3, 6-4; Yayuk Basuki, Indonesia, def. Audra Keller, U.S., 6-4, 6-3; Anne Smith, U.S., def. Petra Langrova, Soviet Union, ppd., darkness; Magdalena Maleeva, Bulgaria, def. Karin Kschwendt, Luxembourg, 7-6 (7-2), 4-6, 6-0.

Second Round, Wednesday

Monica Seles (2), Yugoslavia, def. Emanuela Zardo, Switzerland, 6-0, 4-6, 6-0.

SOCCER

ENGLISH FIRST DIVISION

Arsenal 2, Luton 0
Crystal Palace 3, Wimbledon 2
Liverpool 1, Queens Park Rangers 0

Standings: Manchester City 9 points; Manchester United and Liverpool 7; Nottingham Forest and Aston Villa 6; Norwich 5; Coventry, Oldham, Wimbledon, Everton, Leeds, Chelsea and Arsenal 4; Crystal Palace, Southampton, Tottenham and Notts County 3; Sheffield United, West Ham, Queens Park Rangers and Luton 2; Sheffield Wednesday 1.

ENGLISH LEAGUE CUP

First Round, Second Leg

Tranmere 4, Halifax 3
(Tranmere won 8-6 on aggregate)
Plymouth 2, Shrewsbury 2
(Agg. 3-3, Shrewsbury won on away goal)

GERMAN FIRST DIVISION

Bayer Leverkusen 0, Werder Bremen 0
VfB Stuttgart 1, FC Schalke 0
MSV Duisburg 6, SC Karlsruhe 2
SG Wattenscheid 0, Hansa Rostock 0
B. Moenchengladbach 3, F. Duesseldorf 1

Standings: Hansa Rostock and VfB Stuttgart 9 points; Bayer Leverkusen 8; Eintracht Frankfurt, Bayern Munich, SV Hamburg and FC Kaiserslautern 7; MSV Duisburg, Werder Bremen and SG Wattenscheid 6; FC Nuremberg, FC Cologne, FC Schalke, SC Karlsruhe and Borussia Dortmund 5; Kickers Stuttgart, B. Moenchengladbach and Dynamo Dresden 3; VfL Bochum 2; Fortuna Duesseldorf 0.

INTERNATIONAL FRIENDLY

United States 2, Romania 0

TRANSACTIONS

BASEBALL

American League

BALTIMORE—Put Jose Mesa, pitcher, 15-day disabled list, as of Aug. 21. Recalled Anthony Telford, pitcher from Rochester, International League.

FOOTBALL

Canadian League

EASTERN DIVISION

	W	L	T	PF	PA	Pts
Toronto	6	2	0	319	227	12
Winnipeg	5	3	0	211	190	10
Ottawa	3	4	0	199	214	6
Hamilton	0	7	0	110	224	0

WESTERN DIVISION

	W	L	T	PF	PA	Pts
Calgary	6	2	0	262	226	12
Edmonton	5	2	0	290	202	10
Brit Cimb	4	4	0	282	291	8
Saskitchwn	1	6	0	221	301	2

Tuesday's Results

Toronto 34, British Columbia 25
Winnipeg 28, Calgary 15

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ART BUCHWALD

Straddling the Coup

WASHINGTON — The most important thing to know about a coup, such as the one they just tried to pull off in Moscow, is *when* is the correct moment to recognize the new leaders. Lapidus, a coup expert, told me, "You shouldn't do it too early and you shouldn't do it too late."

"That's easy to say," I said, "but how can you be sure of the right timing?"

Buchwald

"It's a question of knowing if the takeover will succeed or not. If you are fairly sure that the new rulers have events under control, then it's better to recognize them early. If you think that they will fail, hang on and don't take their calls."

"That's exactly what I did in the Soviet coup," I told him with satisfaction. "But I couldn't make head or tail of it because the new guys looked exactly like the old guys. Did you think that the hard-liners would fail?"

"I did," said Lapidus. "All you had to do was look at pictures of their wives. There wasn't one who could hold a candle to Raisa."

□

"That's one way to judge if a coup will work or not. But there must be more to coup-watching than that."

Lapidus confided, "There most certainly is. You have to ask: Who is behind it? I did that. When they appeared on television I said to myself, 'These guys look like Communists, and no Communists have a chance of surviving in the U. S. S. R. these days.'"

"Outstanding," I cried. "Most people are not that politically aware. What made me hold off sending a telegram was that the coup leaders were very physically unattractive compared with Gorbachev and Yeltsin. In order to rule a country these days people want their leaders to have charisma."

Lapidus smiled, "That's exactly what I told Secretary of State Baker the day the bad guys moved into the Kremlin."

"You talked to Baker!"

"Of course. He always calls me when there is a coup. He never thought there would be one in the Soviet Union — but what does the State Department know?"

□

"I'll bet the countries that immediately recognized the hard-liners are embarrassed over it now."

"They are. Gorbachev has received telegrams from all over the world, including Cuba, which say, 'Disregard previous congratulations to coup government — new set of congratulations to follow.'"

"How do you explain the fact that the hard-liners believed their power grab would succeed?"

"They were counting on the people wanting to return to the days of Lenin and Stalin. They also forgot to arrange free parking in the Kremlin square for their loyal tanks. So the tank commanders got mad and left."

□

"I can't believe that these men would risk their government pensions for a lousy three days in power."

"It is hard to fathom. Any two-bit dictatorship in South America could have done a better job."

"Do you see future coups happening in the Soviet Union?" I asked Lapidus.

"I don't think so," he said. "The men who tried this one will be sent away to places like Siberia and Outer Mongolia to break big rocks into little rocks and think about what they could have been if the coup had succeeded."

"That sounds like terribly harsh punishment. Will the guards give them anything to read?"

"Only the telegrams of congratulations from those people who got on the bandwagon too early."

Moscow's Book Fair Is Casualty of Turmoil

New York Times Service

WASHINGTON — One casualty of the turmoil in the Soviet Union has been the Moscow Book Fair, scheduled for next week. The Soviet Embassy in Washington reports it has been canceled. "Representatives from many of the republics did not want to take part," a spokeswoman said.

The fair was viewed in the West as particularly important for signing new Soviet writers and making contacts with publishing houses there operating in a freer climate.

Lou Levy: Oral History From Left Field

By Mike Zwerin

International Herald Tribune

PARIS — "We were like kids. I hope I never grow up," Lou Levy mused as he arrived in Paris to hand-deliver his collection of Stan Getz photographs and memorabilia.

He was talking about playing piano with Supersax and The Lighthouse Allstars in Belgium, where he had just come from. "My first traveling jazz gig was to Sweden in 1946. Now here I am 45 years later back in Europe still playing with [the trumpeter] Conti Condoli, still playing the music we want to play, still laughing at the same dumb jokes, getting into the same stupid road numbers. I've been very lucky."

Last June, the late Stan Getz's ashes were scattered over the Pacific Ocean from Shorty Rogers's boat. During the following brunch at the California Yacht Club for Getz's family, close friends and preferred business associates, Levy was introduced to Jean-Philippe Allard of PolyGram France.

Christian Rose

Lou Levy, right, during a break in a 1981 recording session with Stan Getz in Paris.

Allard had been working with Getz on a project to repackage and reissue the saxophonist's choice recorded work on a total of as many as 40 CDs (in boxes of three or four, starting in 1992). Knowing that Levy and Getz had been close (Levy even has a photo of Getz at 15 playing alto sax with Jack Teagarden), Allard asked him to be a consultant.

The New Grove Dictionary of Jazz describes Levy as a "fleet-footed bop pianist influenced by Bud Powell and the harmonic innovations of Art Tatum." Known principally as an accompanist of superior singers such as Sarah Vaughan, Peggy Lee, Ella Fitzgerald, Lena Horne, Nancy Wilson and Frank Sinatra, his big-time credits began with Getz and Woody Herman's famed Four Brothers band in 1948.

He is a walking treasure of oral jazz memorabilia in general. He can pack a lot of information into a short story, focusing on the essence without pomposity and with the timing of a good borscht-circuit comic.

WOODY HERMAN: "When they talk about that Four Brothers band, people tend to zero in on all the drugs, but there were a lot of healthy things too. Certainly the music. The guys never neglected the music. We played all the time. When we worked a theater, we'd jam between shows. We also had a great baseball team. We beat the pants off of Harry James's band once, which really bugged James. He took his baseball seriously. Before he hired a guy he'd ask what position he played. I played left field."

STAN GETZ: "I guess I was about as close as you could get to Stan, not that he was cold or distant. There were a lot of people trying to get close to him, and he wanted to choose who he was going to hang out with. We played together so much, laughed together so much, ate together so much. And we were Jewish together.

"He was a lyric *maven.* I once handed him the sheet music for a song he'd never played. He looked at it for a minute or two and said 'Great story, let's do it.' He was looking at the words not the music. He said the perfect saxophone player would have 'Al Cohn's *ideas,* Zoot Sims's time and my technique.' He'd play a lick and I'd look at him and smile and he'd say, 'You like Al Cohn better, don't you?' I'd laugh and say, 'Well, don't you?'

"He had a lot in common with Sinatra. Those two guys with the blue eyes were such strong presences. The same kind of strength and lyricism and complete knowledge of the material. Stan projected just like Sinatra when it came to melody. It's too bad they never got to make an album together."

FRANK SINATRA: "I was playing a New Year's Eve party for Sinatra in his house in Palm Springs. He listened with a drink in his hand and when I'd finished the tune, he said, 'Luigi' — he called me Luigi — 'How busy are you?' I said, 'As busy as I want to be.' He said, 'I'm going to have my office send you an itinerary. Make you an offer you can't refuse.'

"A few months later I got a call from his office asking for my address. I thought it was for a tax form or something but they said, 'We're sending you a ticket to Las Vegas.' I asked 'What for?' They said, 'You're going to Las Vegas. You better see the accountant and make a deal.' I'd been hired but nobody told me about it. They made me an offer I couldn't refuse.

"This was 1986. You know, after you've heard so much great stuff over so many years like I have it's hard not to get blasé. It takes a lot to knock you down. But he'd stand there in the crook of the piano and he'd be singing whatever it was and it was just frightening. My hair would stand on end. He was so logical, you'd know exactly where he was going to go, what his timing was going to be. It would thrill me just to be up there that close to him."

ACCOMPANYING SINGERS: "I love it. You get to deal with not just chords, melody and rhythm but words too. Some guys do it well but they're not really into it, it's basically for the money. Some guys do it and hate it. Some wonderful pianists don't do it very well. Some have a chip on their shoulder — maybe it's an ego trip, not liking to take second place.

"I teach a course in accompaniment at the Dick Grove School of Music in L. A., with Pinky Winters, a singer I work with now. I tell the class that they have to learn the song *with* the lyrics. And learn the original chords. Sometimes the composer's chords are better than the 'modern' version you find in fake books. Some of these far-out substitute chords kids use today don't fit the tune at all. I don't change the chords much. I play conservative. I change the voicings depending on what the singer is doing. If the singer alters a note in the melody, you've got to be prepared to adjust immediately, lightning quick, or else the 'right' chord can be wrong. You get a train wreck. Some kids, they get a train wreck and they don't even hear it."

PEGGY LEE: "She was a great lesson in formatting music in its totality. Wonderful songs, great arrangements and musicians, programming, lighting, staging — it was a total format. A song, a set, a concert, the order of the tunes, their length. Modulations, dynamics. She'd *think* the whole thing through."

ELLA FITZGERALD: "Ella would get up there and sing and swing and go with the flow of it. I'd get a list before the concert but by the third tune she was turning everything around. She'd look at me and say let's do this instead of that. You'd never know what was coming next. It was just a ball."

PARTIES: "I play a lot of private parties — for Sinatra, and people like Pavarotti. Anniversaries, birthdays, weddings. Christmas parties, after-concert parties. Those people want a familiar face at the keyboard, and to hear the songs they like. They are fun people who appreciate good music — Jimmy Stewart, Don Rickles, Gregory Peck, Henry Mancini, Michael Caine. I like these people. They're famous, they're rich and they're enjoying life. They're okay. They just say, 'Send a bill,' or they've got a check ready. Whatever. It's always okay.

"Play some piano, have a few drinks, smoke a good cigar, hang out. What a nice way to earn a living!"

PEOPLE

Pavarotti, Ill, Cancels Copenhagen Concerts

The tenor Luciano Pavarotti is ill and two big outdoor concerts he was to have given in Copenhagen were canceled Wednesday. The concert promoters gave no details about his ailment. Pavarotti was to have sung Wednesday and Thursday evenings in the garden of the royal Rosenborg Palace, with transmission to a giant television screen in the Town Hall Square.

□

An estimate that $20,000 in public money was spent flying the U. S. Marshals Service director, a senator and aides back and forth across the country for an awards dinner was inflated, the agency chief says. K. Michael Moore flew to Los Angeles for seven hours on April 4 to open a Marshals Service history exhibition and present awards to Bob Hope, Gene Autry and Senator Strom Thurmond, who endorsed him for a federal judgeship. "I would estimate that cost in the range of $3,500," Moore told The Associated Press. The previous estimate included pilots' salaries and a share of hangar fees and the like, Moore said. "The direct cost, the fuel and oil, would be a more reasonable comparison," said Moore.

□

Christopher Lewis, son of the comedian Jerry Lewis, pleaded not guilty to charges of grand theft and receiving stolen property in a scandal involving limited-edition work worth more than $200,000. Lewis, 33, of Pebble Beach, California, was arrested in May on charges stemming from a Nov. 28 theft of 168 limited edition graphics from a Los Angeles area warehouse.

□

A 14-year-old has been arrested in an attack on the Pulitzer Prize-winning columnist Jimmy Breslin, who was pulled from a cab and stripped to his underwear during a race riot in Brooklyn last week. The police said Odel Bettencourt was charged as an adult with robbery and assault. Breslin was attacked in Brooklyn's Crown Heights neighborhood Aug. 21 in a second night of riots that broke out after a car driven by a Hasidic Jew killed a black youngster. The New York Newsday columnist was robbed and beaten, authorities said. Breslin said in a column that he was attacked after a crowd of more than 50 gathered around his cab and demanded money.

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6 Baker's aide
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16 "Winnie —— Pu": Lenard
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18 Granny or bowline
19 Naldi of films
20 "The Razor's Edge" author
23 Barrel for herring
24 Harm
25 Pulled the cork
29 Annual visitor
31 Peter, the pianist
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34 Force forward
38 Composer Lecuona
40 Free
42 Treat ore
43 Author Angelou
45 Locale
46 Net or Knick
48 Post-fight souvenir
50 Goldlike brass
53 Words said with a nod
55 "Key Largo" playwright
61 "Nessun dorma," e.g.
62 Ore deposit
63 Cut into two equal parts
64 Inheritor
65 Vronsky's beloved
66 Sidestep
67 Saharan
68 Mind
69 Garden interlopers

DOWN

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2 Supermarket item
3 Thank-you- —— (road bump)
4 Nagy of Hungary
5 Compel
6 Signed
7 Struggle
8 Jacob's brother by another name
9 Keep
10 Authorizer of a 1611 Bible
11 Merchant Yale
12 Splicing site
13 Disreputable
21 Begin's co-Nobelist
22 "—— They Sail," P. Newman film
25 Singletons
26 Short wave
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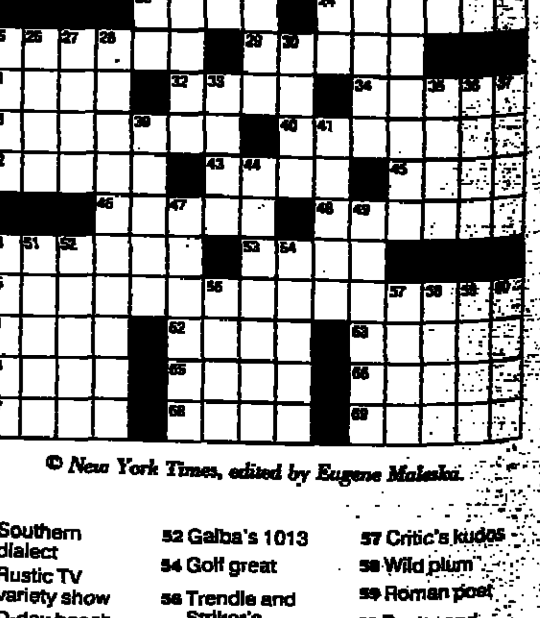

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